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Foreign Affairs, Defence and Trade
References Committee

Australia's overseas development programs in
Afghanistan

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Afghanistan—a land of great beauty and stark contrasts

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Abbreviations

ACIAR	Australian Centre for International Agricultural Research
ADB	Asian Development Bank
ACFID	Australian Council for International Development
ADF	Australian Defence Force
AFP	Australian Federal Police
ALP	Afghan Local Police
ANA	Afghan National Army
ANDS	Afghanistan National Development Strategy
ANP	Afghan National Police
ANSF	Afghan National Security Force
ANU	Australia National University
ARTF	Afghanistan Reconstruction Trust Fund
AUP	Afghan Uniformed Police
AusAID	Australian Agency for International Development
BPHS	Basic Package of Health Services
CDC	Community Development Councils
CDF	Chief of the Defence Force
CNPA	Counter Narcotics Police of Afghanistan
DCDs	District Community Councils
DFAT	Department of Foreign Affairs and Trade
DIAC	Department of Immigration and Citizenship
EQUIP	Education Quality Improvement Program
GDP	Gross Domestic Product
ICARDA	International Center for Agriculture Research in Dry Areas
IDA	International Development Association (World Bank)
IMF	International Military Forces

IMF	International Monetary Fund
IOCC	International Operations Coordination Centre
IOM	International Organisation for Migration
ISAF	International Security Assistance Force
MDG	Millennium Development Goal
NATO	North Atlantic Treaty Organization
NGO	Non-Government Organisation
NSP	National Solidarity Programme
NTM-A	NATO Training Mission–Afghanistan
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
PCoP	Provincial Chief of Police
PRT	Provincial Reconstruction Team
TLO	The Liaison Office
UN	United Nations
UNAMA	United Nations Assistance Mission in Afghanistan
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund (formerly United Nations International Children's Emergency Fund)
UNOPS	United Nations Office for Project Services
US	United States of America
USAID	United States Agency for International Development

Executive Summary

In 2001, after two decades of civil war, the Government of Afghanistan faced the daunting task of creating an environment that would enable its people to start the process of rebuilding their country's economy, its vital infrastructure and state institutions. Many Afghans needed to be resettled, the injured to be rehabilitated, farmers returned to their land and children to school. The challenges confronting the country and its people were and remain formidable.

Australia became part of the international donor community pledged to assist Afghanistan with its recovery and reconstruction. From 2000 to June 2012, Australia's overseas development assistance (ODA) to Afghanistan accounted for over \$710 million. Australia is now committed to making Afghanistan its third largest recipient (in volume) of Australian ODA with its total development assistance for Afghanistan expected to climb to \$250 million for 2015–16.¹

Australia uses a number of channels to distribute its ODA in Afghanistan—Afghanistan's core budget; multilateral organisations and NGOs; and the Uruzgan Provincial Reconstruction Team (PRT).

On budget—Afghanistan Reconstruction Trust Fund (ARTF)

The bulk of Australia's ODA goes to Afghanistan's core budget. Overall, evidence supports the view that funds directed through the Afghan government systems, notably through the Afghanistan Reconstruction Trust Fund (ARTF), are more successful in promoting government ownership and aligning projects with government priorities. This arrangement helps to prevent wastage of funds, encourages stronger coordination between projects (less duplication and better targeted) and is better suited to counter corruption. The committee fully endorses Australia's commitment to allocate 50 per cent of its aid to Afghanistan through on budget mechanisms and supports Australia's increasing contribution to the ARTF.

Multilateral organisations and NGOs

For many years, Australia has also channelled a significant proportion of its aid to Afghanistan through NGOs. The committee acknowledges the good work being achieved through this mechanism and recognises that NGOs will have an important role during Afghanistan's transition to self-reliance and beyond. In particular, they will be required to continue to fill the gap in the Afghan Government's capacity to deliver front-line services. The committee, however, also recognises the importance of building the capacity of local NGOs and other Afghan civil society organisations to serve their communities and underscores the importance of ensuring that they figure prominently in the design, planning and implementation of aid programs.

1 AusAID, *2011–2012 Annual Review of Aid Effectiveness*, p. 37 and *Committee Hansard*, 3 December 2012, p. 4.

Uruzgan and the provincial reconstruction team (PRT)

After Australia assumed leadership of the PRT in Uruzgan in 2010, the proportion of Australia's ODA to that province increased substantially and now stands at approximately 20 per cent of Australia's total ODA to Afghanistan.

Australian assistance to Uruzgan has produced tangible benefits from reconstruction work or restoration of important infrastructure (schools, health clinics, roads, bridges) to helping the provincial government develop a cadre of trained public servants. Some witnesses, however, expressed reservations about the effectiveness of aid delivered by the Australian Defence Force in Uruzgan suggesting that some projects were 'quick fixes' and unsustainable. They also suggested that the military's involvement in development assistance may put the safety of aid recipients or non-military aid workers at risk and, by supporting or even empowering particular individuals, undermine local ownership.

The committee believes that there needs to be a comprehensive independent evaluation of the effectiveness of the work of the PRT under Australia's leadership. Such a review would provide a great opportunity to understand better and to learn lessons from Australia's military-civil-policing operations in Uruzgan.

Protecting the gains

With the assistance of donor countries such as Australia, Afghanistan has made considerable progress in lifting the living standards of its people and stabilising its government. The country, however, remains in need of substantial and continuing aid to help it maintain its development momentum. There are no doubts that the challenges facing Afghanistan as it moves toward security and economic self-reliance are daunting.

While views differ on Afghanistan's future security, all agree that it is unpredictable and that the legacy of the country's long and destructive history of political turbulence and of civil and military upheavals will continue to present enormous difficulties for Afghans. The projected fall in Afghanistan's revenue base will further complicate the government's efforts to provide adequately for its people.

Clearly there is a serious risk that in light of the decline in government revenue and continuing insecurity, advances in key areas such as the provision of education and health services may be unsustainable or even reversed. To defend the gains, it is critical that aid programs should focus on:

- continuity—ensuring that the transition to self-reliance is sure-footed and smooth;
- consolidation—ensuring that the gains made to date are not lost and instead form a solid foundation for future growth (move from quantity to quality, for example from school buildings to teaching; and ensure that operational costs—salaries, maintenance and repair etc are covered); and
- strategic focus—ensuring that attention is given to the sectors that are foundational and have a proven track record of success.

In this context, there are a few areas in which Australia could continue to direct its efforts most productively—education, agriculture, mining and promoting the status of women.

Education

Education is not only a sector where notable achievements have been made but also one of the key building blocks for future development and an area where Australia could continue to make a valuable contribution. The committee supports Australia placing a high priority on education in its Afghan aid program but would like to see much greater emphasis given to improving school attendance and the quality of teaching. To achieve higher retention rates and uninterrupted schooling, the aid program must address the obstacles holding parents back from sending their children to school, especially girls. It must also seek to provide a pathway to higher education. In this regard, the community-based program, the Australian funded program 'Children of Uruzgan', and the 'Malaysia-Australia Education Project for Afghanistan' hold promise. The various aid programs offering scholarships to study in Australia could be developed further and attention given to building on the experiences of Afghan graduates, for example, by encouraging and supporting an active alumni community.

Agriculture and food security

With its increasing expertise in the area of dry land agriculture, Australia is well placed to continue its significant role in assisting Afghan agriculturalists, including its poorer farmers, to improve the productivity of their land. The committee identified three areas as having the potential to increase the benefits already accruing from international assistance in agriculture—improved accessibility for poorer farmers to the advances being made through research; emphasis on training farmers; and including women in every facet of improving agricultural production. The committee is of the view that Australia's assistance to Afghanistan in the food security sector should pay close attention to these areas. Disaster risk reduction should also be an important component of Australia's development assistance in agriculture.

The heavy reliance on opium production in some districts in Afghanistan underscores the important role that development assistance should have in enticing farmers away from the cultivation of the opium poppy by providing them with viable alternatives.

Mining

Afghanistan has abundant mineral resources and is seeking to learn more about mining from countries, such as Australia, that have extensive experience in the industry. But, in light of the serious concerns expressed, as well as the sorry history of mining in conflict-affected countries, the committee believes that much greater effort is required to help Afghanistan ensure that mineral exploration and extraction does not harm local communities and that the benefits from mining spread throughout the economy.

Private enterprise and Afghan diaspora

The committee understands that Afghanistan needs a healthy private sector in order to drive the necessary economic growth that would provide income earning opportunities

and generate the revenue needed for government to provide essential services. In this regard, the committee believes that DFAT and AusAID should be looking at creative and practical ways to encourage Australian organisations, including within the Afghan diaspora, to forge links with the business and academic communities in Afghanistan.

The role of women

To lift its people out of poverty, Afghanistan must include women as part of its development process. The committee notes that Afghanistan has identified gender equality as a cross-cutting issue central to the success of its overall development strategy. Evidence suggests, however, that as Afghanistan draws closer to taking charge of its own affairs, much more needs to be done to improve and then safeguard the status of women. The committee commends the Australian Government for its strong recognition of the rights of women in its aid programs. It also notes the opportunities to encourage gender equality through Australia's contribution to training and mentoring the Afghan National Army and Afghan National Police.

Analysis and evaluation of the effectiveness of Australia's ODA to Afghanistan

The committee acknowledges the work of Australian aid personnel in Afghanistan and their commitment to help the Afghan people rebuild their lives. Evidence suggests, however, that some projects have not measured up to expectations—AliceGhan and the Australian Leadership Awards Scholarships program for Afghan students. There are other projects indicating that, while impressive on paper, the achievements on the ground may not be as substantial as initial indicators suggest. In this regard, the committee has seen little evidence that the Australian Government agencies delivering aid to Afghanistan have attempted any genuine critical evaluation of the effectiveness of their Australian programs, including an assessment of their cost-effectiveness.

Overall, the committee found that current reporting presents an incomplete picture and may mask significant underachievement. For example, information is provided on the number of schools built and enrolment rates but with no indication of attendance, retention or the quality of teaching. The reporting of Australia's whole-of-government effort in Afghanistan is particularly weak. The committee believes that the monitoring, evaluation and reporting of Australia's ODA to Afghanistan needs to improve dramatically. The benefits of robust evaluation and reporting would be twofold—deficiencies could be identified, rectified and valuable insights gained for refining future programs; and the government would be better placed to tell the Australian public about achievements that often go unnoticed.

Recommendations

Review of Australia's civil-military-police role in Afghanistan

Recommendation 1

paragraphs 8.51 and 8.52

The committee recommends that the Australian Civil-Military Centre undertake a comprehensive review of Australia's civil-military-police mission in Uruzgan Province that includes taking submissions from NGOs, local NGOs and civil society organisations working in the province. The scope of the review to include whether, or to what extent, the ADF's involvement in delivering development assistance in Afghanistan has:

- served counterinsurgency objectives;
- affected sustainable development by having short-term, tactical objectives;
- influenced the distribution of development assistance (the suggestion is that more funds were directed to insecure areas);
- diverted development effort away from poverty alleviation;
- placed facilities built with military aid, and those using them, at increased risk from attack by anti-government forces; and
- undermined the perceptions of NGOs as neutral and impartial thereby placing the safety of their aid workers at greater risk.

The committee also believes that it is important for the review to consider whether Australian development assistance had any role in empowering local individuals in Uruzgan and, if so, the lessons to be learnt from it.

Australian Leadership Awards Scholarships

Recommendation 2

paragraph 9.42–9.43

The committee recommends that AusAID conduct its own internal investigation into, and report on, the circumstances around the administration of the Australian Leadership Awards Scholarships program for Afghanistan. The investigation to include, but not limited to, AusAID's due diligence; the adequacy of its oversight of the program; its promptness in responding to indications that something may have been amiss, and the reasons for its failure to inform the committee of allegations of fraud when the matter was discussed in December 2012.

The committee recommends further that, using Mr Niamatullah Ibrahimi's experiences as a case study, this investigation also look closely at the processes for communicating with applicants, including the accuracy and timeliness of advice; the transparency of the application and selection process; and the overall level of competence evident in the administration of this program.

The committee recommends that AusAID provide the committee with a copy of the report.

Recommendation 3

paragraph 9.44

The committee also recommends that AusAID provide the committee with a copy of the report from Protiviti, an independent audit company, following its investigation into the Australian Leadership Awards Scholarships program for Afghanistan.

Resettlement for Afghans who have assisted Australia's mission in Afghanistan

Recommendation 4

paragraph 11.24

The committee supports the Australian Government's initiative to offer resettlement to Australia to locally engaged Afghan employees at the greatest risk of harm as a consequence of their support to Australia's mission in Afghanistan. The committee recommends, however, that the Australian Government ensure that the resettlement program is available to all such locally engaged staff at credible risk and not just those at the greatest risk of harm.

Recommendation 5

paragraph 11.25

In light of problems with the Australian Leadership Awards Scholarships program for Afghanistan and the delay in processing visas for visiting Afghans detailed in chapter 9, the committee recommends that DFAT, AusAID, and DIAC review carefully the procedures and protocols governing this resettlement scheme. The committee recommends that together they build measures into the administration of the scheme that will expedite the process, minimise risks to the safety of those in Afghanistan seeking eligibility for resettlement and uphold the integrity of the scheme (especially guarding against corruption). The committee recommends that all relevant agencies give close attention to strengthening inter-departmental communication, liaison, oversight of the program, and streamlining administrative processes.

Education

Recommendation 6

paragraph 13.17

The committee recommends that AusAID should ensure that its support for the education sector includes an adequate focus on education quality, and specifically on learning outcomes and teacher training.

Recommendation 7

paragraph 13.18

The committee recommends that the Australian Government continue to support the Malaysia Australia Education Project for Afghanistan and to explore ways to build on its successes. The committee recommends that the Australian Government give particular attention to achieving a significant quota of women for the program, which may require additional effort to ensure that young women are graduating from year 12 and then have the opportunity to take up the offer of a scholarship.

Recommendation 8

paragraph 13.19

The committee recommends further that DFAT together with AusAID encourage, assist and fund the establishment of an alumni organisation designed to foster and strengthen the people-to-people links between Afghan graduates from Australian institutions under the various scholarship programs and the respective institutions.

Recommendation 9

paragraph 13.21

The committee recommends that the Australian Government ensure that the Australian Leadership Awards Scholarships for Afghan students, or a suitable replacement, commence as soon as possible.

Recommendation 10

paragraph 13.28

The committee recommends that the Australian Government expand its support for girls' education in Afghanistan.

Recommendation 11

paragraph 13.29

The committee recommends that the Australian Government support the Afghan Ministry of Education to disaggregate enrolment figures by gender.

Recommendation 12

paragraph 13.30

The committee recommends that AusAID increase its support for programs that aim to increase community participation in the management of schools, including supporting local governance structures.

Recommendation 13

paragraph 13.31

The committee recommends that AusAID continue its support for the 'Children of Uruzgan' program providing a clear commitment to a reliable and secure source of funding post 2014.

Agriculture and food security

Recommendation 14

paragraph 14.35

The committee recommends that the Australian Government ensure that as Australia's ODA increases in the coming years that the funding for food security and agriculture increases proportionately.

Recommendation 15

paragraph 14.36

The committee recommends that AusAID and DFAT use their influence with the Government of Afghanistan, relevant line ministries and major multilateral organisations delivering agricultural assistance to reinforce the importance that such assistance:

- ensures that poorer farmers have affordable and easy access to seed centres and appropriate technologies;
- takes account of the need to train farmers, especially those in the poorer communities, to apply the benefits of agricultural research and development;
- involves women in all aspects of aid funded agricultural projects to enable women and their families to benefit from reforms in agriculture; and
- includes disaster risk management, especially building the resilience of poor Afghan farmers to withstand natural disasters, as a necessary component.

The committee recommends further that the four principles identified above are given priority when designing, planning and implementing Australian-funded agricultural projects in Afghanistan.

Recommendation 16

paragraph 14.38

The committee also recommends that the Australian Government provide direct support for agricultural development programs based on the four principles in recommendation 15.

Mining

Recommendation 17

paragraph 14.75

The committee recommends that AusAID continue to encourage and offer advice and technical assistance to help Afghanistan become and remain a fully-compliant member of the Extractive Industries Transparency Initiative.

Recommendation 18

paragraph 14.76

The committee recommends that AusAID continue to encourage and offer advice and technical assistance to the relevant line ministry in Afghanistan to develop a robust legal and regulatory regime for extractive industries in Afghanistan.

Recommendation 19

paragraph 14.77

The committee recommends that the Australian Government should, through the Afghan Government, make itself available to support local community involvement in all aspects of a proposed mining activity in their locality, including matters such as planning and oversight, particularly when it comes to the environment, local employment and investment of some of the mining revenue in local industries.

Recommendation 20

paragraph 14.78

The committee recommends that AusAID monitor its Australia Development Scholarship Program to ensure that its administration is sound; that the selection process is open and transparent; that there is a close correlation between the courses undertaken and the development needs of Afghanistan; and that the students return to Afghanistan to take up positions in that country.

Funding through Afghan's National Budget—Afghanistan Reconstruction Trust Fund

Recommendation 21

paragraphs 15.7–15.9

The committee recommends that the Australian Government continue to channel a substantial proportion of its ODA (at least 50 per cent) to the Afghanistan Reconstruction Trust Fund.

The committee also recommends that the Australian Government use its influence with other donor countries to encourage them to abide by the Kabul communiqué and channel 50 per cent of their ODA through the Afghan national budget.

The committee recommends further that, in light of the findings of the recent 2012 independent review of the Afghanistan Reconstruction Trust Fund, the Australian Government continue to encourage the World Bank to implement the review's recommendations.

Local NGOs

Recommendation 22

paragraphs 15.35

The committee understands the importance of ensuring that development assistance reaches the local level and the most vulnerable. It recognises that Australia works through multilateral organisations and NGOs that in turn team up with local organisations. The committee, however, is of the view that more could be done to foster the use of local NGOs. The committee recommends that Australian agencies providing development assistance in Afghanistan place a high priority on selecting international partners that have deep connections and relationships with the local community and use local organisations to help deliver aid.

Recommendation 23

paragraphs 15.36

The committee recommends further that any proposed cut to the aid budget to Afghanistan should take account of the need to defend the gains made to date. One key means of doing so, is by building the capacity of local communities to assume responsibility for delivering front-line services such as education and health. In this regard, the committee notes the deferral of the Australia Afghanistan Community Resilience Scheme and recommends that the Australian Government strengthen not weaken its efforts to involve local NGOs in the delivery of development assistance.

Afghanistan's private sector

Recommendation 24

paragraph 15.44

Considering the commitment that Australia has given to help Afghanistan rebuild and the important role of the private sector in this recovery, the committee recommends that DFAT consider establishing an Australia–Afghanistan Institute. The intention would be for the institute to have a business and education focus that would help pave the way for increased academic and business engagement between both countries and strengthen institutional links between their universities, research institutes and NGOs.

Recommendation 25

paragraphs 15.46–15.47

The committee recommends that AusAID and DFAT look at implementing concrete and practical ways in which they could assist members of the Afghan community in Australia to contribute to the development of Afghanistan. The proposed Australia–Afghanistan Institute could provide one such avenue.

The committee recommends further that AusAID look carefully at the requirements for an organisation to be accredited as an overseas operating NGO with a view to giving positive encouragement and support (both funding and administrative) to Afghans in Australia seeking to assist Afghanistan with its recovery.

Women in Afghanistan

Recommendation 26

paragraph 16.23

The committee recommends that the ADF and AFP take the opportunity in their training, mentoring and advisory role with their Afghan counterparts to help create an awareness of the importance of gender equality and human rights and to encourage greater participation of Afghan women in Afghanistan's military and police forces.

Recommendation 27

paragraphs 16.27

The committee recommends that the Australian Government continue to provide funding for the Afghanistan Independent Human Rights Commission.

Recommendation 28

paragraph 16.28

Considering that gender equality is an objective that cuts across all sectors covered by development assistance, the committee recommends that all relevant recommendations in this report give special attention to promoting gender equality and protecting the rights of women.

Recommendation 29

paragraph 16.29

The committee recommends that AusAID prioritise long-term support for the delivery of services for women and girls and for programs that advocate for women’s rights. It recommends further that the Australian Government include Afghanistan as a key country focus for implementing Australia’s National Action Plan on Women Peace and Security in order to address the related issues of violence against women and women’s political participation.

Recommendation 30

paragraph 16.30

The committee recommends that the Australian Government directly fund Afghan women’s organisations with both core and project funding, to enable these organisations to develop their capacity to hold their government to account and realise their leadership potential.

Recommendation 31

paragraph 16.31

The committee recommends that AusAID works closely with the Afghan Education Ministry and relevant NGOs to encourage the implementation of community-based education schemes with the objective of increasing the accessibility of schooling and bridging the gender gap with respect to illiteracy.

Recommendation 32

paragraph 16.32

The committee recommends that the Australian Government commit adequate funds over three years towards the National Priority Program: ‘Capacity development to implement the National Action Plan for the Women of Afghanistan’.

Oversight and evaluation of Australia's ODA

Recommendation 33

paragraph 17.63

The committee recommends that AusAID review its Afghanistan Annual Program Performance Report in order to ensure that the document reflects its title—program performance report. This means that the report's main aim would be to convey information on:

- the performance of programs—value for money;
- the program's effect on the lives of its recipients;
- the benefits delivered to intended recipients and how they align with their needs;
- the sustainability of the benefits; and
- how programs relate to and complement other Australian-funded programs.

It should contain a section providing a comprehensive account of the effectiveness of Australia's whole-of-government effort in Afghanistan.

Recommendation 34

paragraph 17.64

The committee recommends that the Australian Government implement new reporting and evaluation requirements for departments and agencies delivering Australian ODA that are timely, consistent, transparent and more stringent. They should also require information on:

- the aid program's objectives and how it contributes to a coherent, whole-of-government development plan;
- the medium and long-term prospects for the sustainability of each project within the program including allowances made for continuing operational costs—such as salaries, maintenance and repair; and
- the monitoring and evaluation mechanisms for tracking and assessing the effectiveness of projects after their completion.

Unless there is a compelling reason otherwise, reporting and evaluation reports should be publicly available from AusAID's website.

Recommendation 35

paragraph 17.65

The committee recommends that the Office of Development Effectiveness conduct a critical analysis of the effectiveness of Australia's ODA to Afghanistan with a particular emphasis on the sustainability of projects and Australia's whole-of-government effort.

Recommendation 36

paragraph 17.68

The committee recommends that the Parliament consider establishing a parliamentary standing committee or dedicated subcommittee of an existing standing committee charged with examining and reporting on Australia's ODA. Among other benefits, this committee could be the catalyst needed to improve the standard of reporting on Australia's ODA, especially Australia's whole-of-government effort in delivering overseas aid. It may also be a means of raising public awareness of the work being done with Australia's ODA.

ODA—definition and application

Request to Auditor-General

paragraph 17.70

The committee requests that the Auditor-General consider conducting an audit of Australia's ODA to Afghanistan with a view to determining whether the guidelines for classifying funding as ODA are appropriate, well understood and applied properly.



With the assistance of donor countries such as Australia, Afghanistan has made considerable progress in lifting the living standards of its people and stabilising its government. The country, however, remains in need of substantial and continuing aid to help it maintain its development momentum.



Afghanistan is a highly agrarian society with about 80 per cent of its population living in rural areas.

Chapter 1

Introduction

1.1 On 29 June 2012, the Senate referred the following terms of reference to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 31 December 2012:

The administration, management and objectives of Australia's overseas development programs in Afghanistan in the context of the 'Transition Decade', including:

- (a) an evaluation of Australia's bilateral aid program to date in Afghanistan;
- (b) an evaluation of the interaction and effectiveness of Australia's bilateral aid, multilateral aid, the Afghanistan Reconstruction Trust Fund and other Australian government departments delivering aid;
- (c) the means to most effectively address the Millennium Development Goals in Afghanistan;
- (d) how to guarantee the safety of all workers involved in the delivery of Australian aid programs in Afghanistan; and
- (e) any other related matters.¹

1.2 On 22 November 2012, the Senate extended the reporting date to 28 March 2013 and on 12 March granted a further extension to 16 May 2013.

Conduct of inquiry

1.3 The committee advertised the inquiry on its website calling for written submissions. The committee also wrote directly to a range of government departments and agencies, people and organisations, known to be involved or interested in the provision of Australian aid to Afghanistan, drawing their attention to the inquiry and inviting them to make written submissions.

1.4 The committee received 24 submissions and 4 supplementary ones, as well as additional information including answers to a series of questions taken on notice by witnesses. They are listed at Appendix 1 and 2 respectively. The committee held three public hearings in Canberra on 3 and 4 December 2012 and 22 March 2013. A list of hearings and the names of witnesses who appeared before the committee is at Appendix 3.

Background to inquiry

1.5 In 2001, after two decades of conflict that left Afghanistan a 'shattered society', a group of leading Afghans met in Bonn to take the first steps toward

1 *Journals of the Senate*, No. 99, 28 June 2012, p. 2698. The Senate continued through to 29 June 2012.

building a stable, democratic and prosperous Afghanistan. They called on the international community to reaffirm, strengthen and implement its commitment to assist with the rehabilitation, recovery and reconstruction of their country.² Having worked together for ten years to achieve this objective, the Government of Afghanistan and the international community met in 2011 in Bonn to welcome in a new phase—the start of a period of transition.

1.6 The transition was intended to be a phased process during which the NATO-led International Security Forces would gradually and responsibly withdraw allowing the Afghan security forces, as their capability developed, to take full charge of their country's security. It would close at the end of 2014 and usher in the 'Decade of Transformation' (2015–2024).³

1.7 This inquiry commenced after the transition had begun but when concerns abounded about how the international donor community, including Australia, could best help Afghanistan sustain the momentum toward a peaceful and economically self-sustaining country.

Key documents

1.8 Throughout this report, the committee refers to a number of milestone meetings and accompanying documentation, which include:

- Afghan Bonn Agreement, 2001;
- International Conference on Reconstruction Assistance to Afghanistan, Tokyo 2002;
- Afghanistan Compact, London Conference on Afghanistan, 2006;
- Declaration of the International Conference in Support of Afghanistan, Paris 12 June 2008;
- Communiqué, London Conference, January 2010;
- Communiqué, International Conference on Afghanistan, Kabul, July 2010;
- International Afghanistan Conference in Bonn, December 2011; and
- Tokyo Declaration, Tokyo Conference on Afghanistan, 'Partnership for Self-Reliance in Afghanistan, from Transition to Transformation', July 2012.

1.9 The Paris Declaration on Aid Effectiveness made in Paris in March 2005 is a foundation document that sets down the fundamental principles governing the delivery of overseas development assistance. The principles enunciated in this document are reflected in the numerous declarations made in relation to development assistance to Afghanistan and served as a reference point for the committee's inquiry.

2 'Agreement on provisional arrangements in Afghanistan pending the re-establishment of permanent government institutions', Bonn, 2001, <http://www.afghangovernment.com/AfghanAgreementBonn.htm> (accessed 1 August 2012).

3 See the International Afghanistan Conference in Bonn, 'Afghanistan and the International Community: From Transition to the Transformation Decade', 5 December 2011.

1.10 The committee also drew on information contained in numerous reports, including three profiles on Uruzgan Province by The Liaison Office (TLO). The office is an independent Afghan non-governmental organisation funded by various donors including non-government and government authorities, international organisations and foundations.⁴ The committee also gained insight into the views and experiences of Afghans recorded in publications based on surveys and discussions held during meetings of focus groups such as the *Afghan People's Dialogue on Peace* and the Asia Foundation's *A Survey of the Afghan People*. In addition, the Islamic Republic of Afghanistan, the World Bank and the Asian Development Bank have produced comprehensive studies and evaluations on development assistance to Afghanistan, which provided the committee with a rich source of information. AusAID has also published key documents including *Australia's strategic approach to aid in Afghanistan 2010–2012*, and in 2011 a review panel produced an *Independent Review of Aid Effectiveness*, both of which are cited throughout this report. A select bibliography of the main publications used by the committee is located at the end of the report.

Definition of Official Development Assistance (ODA)

1.11 During the course of the inquiry, Defence brought to the committee's attention a significant and serious miscalculation of funds that had been recorded as Official Development Assistance (ODA) but which, after review, were deemed ineligible for such classification. This error, involving in excess of \$200 million over a period of six years, meant that the committee had been relying on statistics provided by both Defence and AusAID in their submissions that were highly inaccurate. The committee is of the view that this serious anomaly should not be glossed over and the Australian Government should make a public acknowledgement of the error.⁵ It is important that the record—going back to 2006—is corrected and that people are alerted to the changes. The amended version of Australia's ODA to Afghanistan, received on 4 February 2013, is reproduced in table 13.1.

Scope of inquiry

1.12 Under the inquiry's terms of reference, the committee was to inquire into the administration, management and objectives of Australia's overseas development programs in Afghanistan. It was to do so in the context of the 'Transition Decade'. The committee has done so mindful of the legacy of destruction left to Afghanistan after years of conflict and one that endures to this day. In assessing the effectiveness of Australia's aid to Afghanistan, the committee was also conscious of the fast-approaching decade of transformation and the critical role that external assistance would have in helping Afghanistan prepare solid and enduring foundations for the country's future development.

4 See information in TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012.

5 AusAID, answer to written question on notice no 33.

Structure of report

1.13 In order to gain a better understanding of the context in which Australia provides aid to Afghanistan, the committee in Part I of this report outlines the recent history of Afghanistan. The committee starts its consideration with the Soviet occupation of Afghanistan in 1979, its phased withdrawal which commenced in 1988, the ensuing civil turmoil in Afghanistan, the rise and collapse of the Taliban regime, the establishment of a Transitional Authority in Afghanistan and finally the deployment to that country of an International Security Assistance Force (ISAF) and the United Nations Assistance Mission in Afghanistan (UNAMA). It looks at the international effort to help rebuild the war torn country and provides an overview of development assistance to Afghanistan since 2001. During this period, numerous conferences were held in an endeavour to ensure that assistance from the international community was used effectively. Against this background, the committee examines the nature and extent of Australia's aid to Afghanistan and how it has evolved over the past decade. Importantly, the committee looks closely at the particular impediments to the effective delivery of aid to the Afghan people.

1.14 Part II of the report is primarily concerned with the effectiveness of Australia's aid to Afghanistan—the mechanisms that Australia uses to deliver aid including: through Afghanistan's national systems; multilateral organisations and NGOs; and the work of the Provincial Reconstruction Team (PRT) in Uruzgan. The committee analyses the criticism levelled at a number of Australia's aid programs or processes affecting Australia's efforts to help Afghanistan rebuild its country. They include AliceGhan, the administration of the Australian Leadership Awards Scholarships program for Afghanistan and visas for visiting Afghans. The committee also considers the Australian Defence Force's (ADF) contribution to Australia's development assistance to Afghanistan and the concerns raised with regard to the counterinsurgency approach of 'winning hearts and minds'.

1.15 In the third part of the report, the committee builds on its consideration of Australia's contribution to Afghanistan over the past decade or so, to look at the challenges facing Australia in delivering assistance to Afghanistan leading to and during the next phase—the transformation. It understands that as the international military forces withdraw and Afghanistan takes charge of its own affairs, the country faces severe security, economic and social challenges.

1.16 The committee concludes its report on Australia's development assistance to Afghanistan by assessing the way in which Australia evaluates the performance of its various aid programs.

Acknowledgements

1.17 During the course of the inquiry, the committee has benefitted greatly from the participation of many individuals and organisations throughout Australia and visitors from Afghanistan. The committee thanks all those who assisted with the inquiry, especially the agencies and witnesses who put in extra time and effort to answer written questions on notice and provide valuable feedback to the committee as it gathered evidence.

Part I

Background to development assistance to Afghanistan

It is not possible to understand Australia's contribution to development assistance to Afghanistan without first appreciating the legacy left to this war-torn country after years of conflict and political instability.

In Part I of the report, the committee traces the history of conflict in Afghanistan since 1979 when Soviet forces occupied Afghanistan. It looks at the bitter internecine fighting between local warring factions, the rise of the Taliban, the continuing hostilities and consequent widespread destruction of Afghan lives, property and government and civil institutions. The committee outlines the events of 2001 which led to outside intervention in the form of an international security force and commitments by the international community to help Afghanistan rebuild its country.

Against this background, the committee examines the current challenges that face donor countries, including Australia, in ensuring that the assistance they provide is used most effectively to benefit the Afghan people. The committee considers the physical features of the country—the remoteness of some areas and the prevalence of natural disasters such as drought and landslides. It also looks at other factors that make the delivery of assistance to Afghanistan difficult including the lack of infrastructure, corruption and capacity constraints including at the sub-national level and insecurity. Donors also create their own inefficiencies when delivering aid. In this regard, the committee looks at the key principles underpinning aid effectiveness and their application to development assistance to Afghanistan.

Chapter 2

Background

Recent history of conflict and violence

2.1 For decades, Afghanistan has been wracked by political instability and internal conflict.¹ In 1979, Soviet forces entered the country in response to a reported request from the then Afghan Government for help against insurgent movements.² After years of protracted fighting and unable to subdue the resistance, the Soviet Union finally initiated a phased drawdown of its forces from Afghanistan in May 1988.³ In this chapter, the committee traces developments in Afghanistan from the time the Soviets pulled out of the country until the collapse of the Taliban in 2001.

Soviet withdrawal

2.2 At the beginning of the 1990s, the aftermath of years of conflict were visible throughout the country—towns, villages, property and vital infrastructure destroyed, the economy devastated, innumerable deaths, disappearances, prisoners whose fate remained unknown, displaced and maimed people and continued widespread violations of human rights.⁴

2.3 But the withdrawal of Soviet forces did not end hostilities and the Najibullah government, installed during the Soviet occupation, continued to face armed resistance. In disputed areas, local warring factions engaged in bitter civil fighting causing widespread political upheaval and human suffering.⁵ A great many civilians

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- 1 See for example, Ashley Jackson, Oxfam International, *The Cost of War: Afghan Experiences of Conflict, 1978–2009*, November 2009, pp. 7–10.
 - 2 See Afghanistan/Pakistan, UNGOMAP—Background, <http://www.un.org/en/peacekeeping/missions/past/ungomap/background.html> (accessed 6 September 2012).
 - 3 United Nations, General Assembly, Security Council, A/43/129–S/19482, 9 February 1988, Letter dated 9 February 1988 from the Permanent Representative of the Union of Soviet Socialist Republics to the United Nations addressed to the Secretary-General.
 - 4 See for example, United Nations, General Assembly, A/45/644, Report of the Economic and Social Council, 'Situation of human rights in Afghanistan', 31 October 1990, paragraph 16.
 - 5 See for example, United Nations, General Assembly, A/45/644, Report of the Economic and Social Council, 'Situation of human rights in Afghanistan', 31 October 1990, paragraphs 17 and 21; The World Bank, *Afghanistan in Transition: Looking Beyond 2014*, vol. 2, Main Report, May 2012, p. 3, http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/07/04/000333038_20120704045213/Rendered/PDF/708510v20WP0Bo0ansition0Beyond02014.pdf (accessed 4 December 2012); Ashley Jackson, Oxfam International, *The Cost of War: Afghan Experiences of Conflict, 1978–2009*, November 2009, pp. 9–10.

fled the country creating a refugee crisis and by 1990, there were an estimated 6.3 million civilians in exile—3.3 million in Pakistan and 3 million in Iran.⁶

2.4 As material and financial assistance from the Soviet Union dried up, the Afghanistan Government, unable to pay its militias and army, found its grip on power slipping.⁷ Fighting between the rebels and government forces intensified with the Mujahedeen eventually gaining the ascendancy in 1992, when they took control of Kabul and brought the government down. At that time, Burhanuddin Rabbani was declared President of the Islamic State of Afghanistan. The victorious mujahedeen regime, however, was unable to form a unity government and the various Afghan factions and warlords resorted to fighting among themselves and the country descended once again into civil war.⁸ According to the United Nations (UN) Secretary-General, the opposing sides failed to show 'the will to rise above their narrow factional interests and to start working together for national reconciliation'.⁹ This pattern of political instability and internal warfare continued unabated causing massive destruction of property and serious damage to Afghanistan's already seriously depleted economic and social infrastructure.¹⁰

Rise of the Taliban

2.5 In response to the failure of the mujahedeen parties to secure stable government, a group, known as the Taliban, emerged as a formidable opposition. In November 1994, it seized power in Kandahar Province and the capital of Helmand Province—an area considered one of the principal producers of opium in the world. The UN Special Rapporteur wrote that the Taliban, which appeared to be a national movement, had advanced to Zabul Province, on its way to Herat. Representatives of the Taliban told the Special Rapporteur that they intended to create a national army,

6 UN website, <http://www.un.org/News/dh/latest/afghan/un-afghan-history.shtml#1990s> (accessed 15 October 2012).

7 The World Bank, *Afghanistan in Transition: Looking Beyond 2014*, vol. 2, Main Report, May 2012, p. 3.

8 UN website, <http://www.un.org/News/dh/latest/afghan/un-afghan-history.shtml#1990s> (accessed 15 October 2012). See for example, The World Bank, *Afghanistan in Transition: Looking Beyond 2014*, vol. 2, Main Report, May 2012, p. 3.

9 United Nations, General Assembly, Security Council, A/52/682-S/1997/894, 1 November 1997, paragraph 37.

10 See for example, Jean-Rodrigue Paré, *Afghanistan: UN Intervention*, Library of Parliament, Parliament of Canada, 15 November 2007, <http://www.parl.gc.ca/Content/LOP/ResearchPublications/prb0726-e.htm> (accessed 3 September 2012); Tim Youngs, *Afghanistan: the culmination of the Bonn process*, House of Commons Library, Research Paper 05/72, 26 October 2005; and United Nations, General Assembly, A/RES/48/208, 21 December 1993.

Afghanistan



collect weapons and fight corruption and anarchy.¹¹ The Taliban took control of the province of Herat in September 1995.¹²

2.6 By April 1996, Afghanistan was a divided country under the military control of three major forces—the Government in Kabul and five other provinces in the north-eastern part of the country; the Taliban in 14 provinces in the southern, south-eastern and south-western parts; and forces under General Abdul Rashid Dostum in six provinces in the northern section of the country. At this time, Kabul remained under siege by the Taliban, which had been ensconced on the outskirts of the city for many months and were preparing for a major battle for the capital. A report by the UN Secretary-General noted that the principal reason for the continuing hostilities was 'the uncompromising stance of the parties'. It stated:

The Taliban, for their part, remain determined to remove Mr Rabbani (the President) from power by force. Equally determined has been the resolve of the Government to maintain its control of Kabul at all costs.¹³

2.7 By the close of 1997, the Taliban had taken Kabul. Although it now held approximately two-thirds of the country, the Taliban could not prevail over the northern part of the country which remained under the control of the anti-Taliban Northern Alliance or United Front. The Secretary-General reported:

The deepening division of the country along ethnic lines, reinforced by external military and political support, continued to inhibit efforts to engender political dialogue among the factions. Throughout 1997, neither the Taliban nor its rivals appear to have given serious consideration to a political, as opposed to a military, solution to the conflict.¹⁴

2.8 A year later, the UN again expressed its grave concern at the failure of all Afghan parties, in particular the Taliban, to put an end to the conflict. It strongly condemned the sharp escalation in hostilities and the intensification of the fighting. In its assessment, the continuing violence was adding to the enormous suffering of the Afghan people resulting in 'the massive loss of human life, refugee flows, killing,

11 United Nations, Economic and Social Council, E/CN.4/1995/64, 'Final Report on the situation of human rights in Afghanistan', 20 January 1995, paragraph 17. The Taliban regard their emergence as 'a spontaneous reaction of some groups of clerics, disgusted by the chaos and orgy of abuse which engulfed southern Afghanistan in 1994', cited in Antonio Giustozzi with Niamatullah Ibrahim, *Thirty Years of Conflict: Drivers of Anti-Government Mobilisation in Afghanistan, 1978–2011*, Afghanistan Research and Evaluation Unit, January 2012, p. 22.

12 United Nations, General Assembly, A/50/908, 'The Situation in Afghanistan and its implications for International Peace and Security', Report of the Secretary-General, 3 April 1996, paragraph 8. See also Human Rights Watch, *Afghanistan: Crisis of Impunity*, vol. 13, No. 3(C), July 2001, p. 11.

13 United Nations, General Assembly, A/50/908, 'The Situation in Afghanistan and its implications for International Peace and Security', Report of the Secretary-General, 3 April 1996, paragraphs 10–11.

14 United Nations, General Assembly, Security Council, A/52/682-S/1997/894, 'The Situation in Afghanistan and its Implications for International Peace and Security', 14 November 1997, paragraph 12.

harassment, the forcible displacement of innocent civilians and extensive destruction'.¹⁵

2.9 It was equally concerned about the persistent violations of human rights and breaches of international humanitarian law, 'as exemplified by reports of mass killings and atrocities committed by combatants against civilians and prisoners of war'. It referred to substantiated reports of systematic discrimination against girls and women, particularly in Taliban controlled areas.¹⁶

2.10 Two years later, the situation for the Afghan people remained dire as the civil war intensified and the Taliban and the United Front unleashed attacks and counter attacks against each other.¹⁷ The plight of Afghans continued to worsen as the country's socio-economic conditions deteriorated significantly. The UN reported:

The prolonged conflict and the resultant anarchy has left hundreds of thousands of Afghans chronically dependent on international assistance for their survival. The provision of food, shelter, health care and other services by the assistance community is recognized as an essential lifeline for many.¹⁸

2.11 The task of providing humanitarian assistance in such a volatile environment, however, was becoming increasingly difficult in Afghanistan. In 2000, the outlook was grim with most Afghans reduced to 'eking out a "bare bones" existence' and with indications that the situation was 'likely to deteriorate dramatically over the winter months and throughout the next year'.¹⁹ The UN Secretary-General observed, however, that while there had been a measure of attention paid to Afghanistan during the year, the tendency persisted to view the country as a series of compartmentalized problems—narcotics, terrorism or refugees.²⁰

Taliban and al-Qaeda

2.12 For some time, the UN Security Council had been voicing its concern about terrorists using Afghan territory under Taliban control to shelter and train.²¹ It condemned the fact that the Taliban continued to provide a safe haven for Osama bin Laden that allowed him and his al-Qaeda associates to operate a network of terrorist

15 United Nations, General Assembly, A/53/L.66, 9 December 1998.

16 United Nations, General Assembly, A/53/L.66, 9 December 1998.

17 United Nations, General Assembly, Security Council, A/55/633–S/2000/1106, 20 November 2000, paragraph 25.

18 United Nations, General Assembly, Security Council, A/55/633–S/2000/1106, 20 November 2000, paragraph 56.

19 United Nations, General Assembly, Security Council, A/55/633–S/2000/1106, 20 November 2000, paragraph 80.

20 United Nations, General Assembly, Security Council, A/55/633–S/2000/1106, 20 November 2000, paragraph 92.

21 See for example, United Nations, Security Council, S/RES/1333 (2000) and United Nations, General Assembly, A/53/L.66, 9 December 1998.

training camps and to use Taliban territory as a base from which to sponsor international terrorist operations.²² The United States (US) had already indicted Osama bin Laden and his supporters for, among other things, the bombings of the United States embassies in Nairobi, Kenya and Dar es Salaam, Tanzania and for conspiring to kill American nationals outside the United States.²³

2.13 In December 2000, the Security Council demanded that the Taliban cease providing sanctuary and training for international terrorists and their organisations. It called on the Taliban to 'turn over Usama bin Laden to appropriate authorities in a country where he had been indicted...or to appropriate authorities in a country where he will be arrested and effectively brought to justice'.²⁴

Terrorist attack on US soil

2.14 The international mood changed dramatically with the terrorist attack on US soil on 11 September 2001, including the assault on the World Trade Center in New York. Within days, the US Congress had passed a joint resolution authorising the US to use armed forces against those responsible for the recent attacks on America. In brief the resolution authorised the President 'to use all necessary and appropriate force against those nations, organizations, or persons he determines planned, authorized, committed or aided the terrorist attacks'...or 'harboured such organizations or persons'.²⁵

2.15 Osama bin Laden was the key suspect. The Taliban, however, refused to help the US apprehend him or to break up his al-Qaeda network. In the face of the Taliban's resistance, the US launched military operations in Afghanistan on 7 October 2001 against the terrorist groups responsible for the attacks on American soil. Australia joined the international coalition against terrorism led by the United States.²⁶ Initially, over 1,550 ADF personnel were deployed to combined operations to support US forces and other coalition partners in the campaign against the terrorist groups, and to provide protection for key coalition forward bases.²⁷

22 United Nations, Security Council, S/RES/1267 (1999), adopted on 15 October 1999.

23 United Nations, Security Council, S/RES/1267 (1999), adopted on 15 October 1999.

24 United Nations, Security Council, S/RES/1333 (2000), 19 December 2000, paragraphs 1–3.

25 107th Congress, Joint Resolution, J.S. Res. 23, 18 September 2001 and Richard F. Grimmett Specialist in National Defense Foreign Affairs, Defense, and Trade Division CRS 'Report for Congress, Authorization For Use Of Military Force in Response to the 9/11 Attacks (P.L. 107-40): Legislative History', update January 2007, <http://www.fas.org/sgp/crs/natsec/RS22357.pdf> (accessed 27 July 2012).

26 Department of Defence, *Defence Annual Report 2001–02*, pp. 3–4. It did so for the first time in the Treaty's fifty-year history on 14 September 2001, by invoking the Anzus alliance, under Article IV.

27 Department of Defence, *Defence Annual Report 2001–02*, p. 4; Ashley Jackson, Oxfam International, *The Cost of War: Afghan Experiences of Conflict, 1978–2009*, November 2009, p. 12.

2.16 In support of the Northern Alliance forces, the US-led coalition concentrated its efforts on air strikes against the Taliban.²⁸ The combined effort succeeded in defeating the Taliban and, by late November 2001, the Northern Alliance, having routed the Taliban on the battlefield, occupied the city of Kabul.²⁹

Interim Administration

2.17 The military victory over the Taliban paved the way for an ambitious reconstruction plan for Afghanistan, worked out during a meeting in Bonn on 5 December 2001.³⁰ Under the agreement reached at this meeting, an Interim Administration was established comprising a chair, Mr Hamid Karzai, five vice chairs and 24 other members.³¹ On the official transfer of power to the Interim Administration, all mujahedeen, Afghan armed forces and armed groups in the country came under the new administration's command and control.³²

2.18 The arrangements were intended as a first step toward establishing 'a broad-based, gender-sensitive, multi-ethnic and fully representative government'.³³ According to the UN Secretary-General, few could have imagined that the collapse of the Taliban regime would be followed so quickly by the installation of an internationally recognised provisional administration.³⁴

Transitional Authority

2.19 Six months after the Bonn agreement and in accordance with its terms, an emergency loya jirga (Grand Council), held from 11 to 19 June 2002, established a

28 Mark Fields and Ramsha Ahmed, *A Review of the 2001 Bonn Conference and Application to the Road Ahead in Afghanistan*, Strategic Perspectives no. 8, Institute for National Strategic Studies, National Defense University, November 2011, p. 7; Tim Youngs, 'Afghanistan: the culmination of the Bonn process', House of Commons Library, Research Paper 05/72, 26 October 2005, p. 11; Ashley Jackson, Oxfam International, *The Cost of War: Afghan Experiences of Conflict, 1978–2009*, November 2009, p. 12; and United Nations, General Assembly, Security Council, A/56/681–S/2001/1157, 6 December 2001, paragraph 55.

29 Mark Fields and Ramsha Ahmed, *A Review of the 2001 Bonn Conference and Application to the Road Ahead in Afghanistan*, Strategic Perspectives no. 8, Institute for National Strategic Studies, National Defense University, November 2011, p. 7. United Nations General Assembly, Security Council, A/56/681–S/2001/1157, 6 December 2001, paragraph 58.

30 See for example, Jean-Rodrigue Paré, 'Afghanistan: UN intervention', Infoseries, 15 November 2007, Canadian Library of Parliament.

31 His Excellency Professor Burhanuddin Rabbani, President of the Islamic State of Afghanistan, was prepared to transfer power to an interim authority under the chairmanship of Mr Hamid Karzai. Agreement on Provisional Arrangements in Afghanistan pending the Re-establishment of Permanent Government Institutions (the Afghan Bonn Agreement), <http://www.un.org/News/dh/latest/afghan/afghan-agree.htm>

32 The Afghan Bonn Agreement, <http://www.un.org/News/dh/latest/afghan/afghan-agree.htm>.

33 The Afghan Bonn Agreement, <http://www.un.org/News/dh/latest/afghan/afghan-agree.htm>.

34 United Nations, General Assembly, Security Council, A/56/875–S/2002/278, 18 March 2002, paragraph 117.

Transitional Authority to replace the Interim Administration.³⁵ The Authority was to govern Afghanistan until a fully representative government could be elected through free and fair elections to be held no later than two years after the date of the convening of the loya jirga.³⁶ Consistent with the undertaking, the Transitional Authority governed Afghanistan for 2 years, after which another loya jirga was convened to draft a new constitution and hold elections.

2.20 The UN Secretary-General regarded the Bonn Agreement, where the Afghan parties pledged to engage in a process of transition to a freely elected constitutional and democratic Government, as 'the best chance to put an end to 23 years of war in Afghanistan'.³⁷ From its inception, however, the new administration faced a range of difficult tasks including restoring order and coherence to a fractured and decentralized system of government. Indeed, during the previous years of conflict, numerous armed factions with vested economic and political interests had secured a firm foothold in the areas under their control. The Secretary-General noted that:

As a result, a pattern of fragmented military rule under various commanders from different political and ethnic backgrounds filled much of the vacant political space created by the fall of the Taliban. These commanders publicly endorsed the Bonn Agreement and the Interim Administration, but at the same time kept their options open, having much to lose by ceding their economic and political power to the central authorities. Some were loyal to members of the Interim Administration, but this did not necessarily make them loyal to the Administration itself.³⁸

2.21 Due to the sudden downfall of the Taliban and ongoing operations against Taliban and al-Qaeda remnants, this fragmentation was 'particularly evident in the Pashtun-populated areas of the south and east'.³⁹ Two researchers noted that the expectation that the Agreement 'could somehow surgically remove warlords and their

35 See for example, Mark Fields and Ramsha Ahmed, *A Review of the 2001 Bonn Conference and Application to the Road Ahead in Afghanistan*, Strategic Perspectives no. 8, Institute for National Strategic Studies, National Defense University, November 2011, p. 5. United Nations, General Assembly, Security Council, A56/1000-S/2002/737, 11 July 2002.

36 United Nations, General Assembly, Security Council, A/56/875-S/2002/278, 18 March 2002, paragraphs 7–8 and Islamic Republic of Afghanistan, *Afghanistan National Development Strategy, 1387–1391(2008–2013)*, A Strategy for Security, Governance, Economic Growth and Poverty Reduction, p. 1. The Strategy recorded that 76 per cent of eligible voters participated in the presidential election.

37 United Nations, General Assembly, Security Council, A/56/1000-S/2002/737, 11 July 2002, paragraph 2.

38 United Nations, General Assembly, Security Council, A/56/1000-S/2002/737, 11 July 2002, paragraph 3.

39 United Nations, General Assembly, Security Council, A/56/1000-S/2002/737, 11 July 2002, paragraph 3.

militias from Afghanistan's fundamental culture and power base was and remains unrealistic'.⁴⁰

International Security Assistance Force (ISAF)

2.22 To help maintain security in Kabul and its surrounding areas, the parties to the Bonn Agreement called for the deployment of an international security force. They envisaged that the force could be expanded progressively to other urban centres and districts.⁴¹ On 20 December 2001, the Security Council adopted resolution 1386 (2001), which authorized the establishment for 6 months of an International Security Assistance Force (ISAF). This force was to assist the Afghan Interim Authority keep Kabul and its neighbouring districts safe, so that the Authority and UN personnel could operate in a secure environment.⁴² The Council also called on Member States to contribute personnel, equipment and other resources to ISAF.⁴³

2.23 This force and its respective lead nations were successful in improving security conditions in and around Kabul.⁴⁴ On 27 November 2002, the Security Council adopted a resolution extending the mandate of ISAF until 20 December 2003. It welcomed the decision of Germany and the Netherlands to assume joint command of ISAF from Turkey.⁴⁵

2.24 On 16 April 2003, the North Atlantic Treaty Organization (NATO) announced that, at the request of three leading ISAF nations—Germany, the Netherlands and Canada, it had decided to increase its already substantial involvement in ISAF. It would deploy a composite headquarters in theatre and exercise strategic command, control and coordination of ISAF. The commander would be selected from contributing allied nations.⁴⁶ In August 2003, NATO assumed command of ISAF from Germany and the Netherlands.⁴⁷ Mr Hamid Karzai, President of the Transitional

40 Mark Fields and Ramsha Ahmed, *A Review of the 2001 Bonn Conference and Application to the Road Ahead in Afghanistan*, Strategic Perspectives no. 8, Institute for National Strategic Studies, National Defense University, November 2011, p. 19.

41 United Nations, General Assembly, Security Council, A/56/875–S/2002/278, 18 March 2002, paragraph 55.

42 United Nations, Security Council, S/RES/1386 (2001), adopted 20 December 2001.

43 United Nations, Security Council, S/RES/1386 (2001), adopted 20 December 2001.

44 See for example, United Nations, General Assembly, A/57/L.56, 3 December 2002.

45 United Nations, Report of the Security Council, 1 August 2002–31 July 2003, A/58/2, p. 5.

46 NATO, Press Briefing by NATO Spokesman, Yves Brodeur, 16 April 2003, <http://nato.int/docu/speech/2003/s030416a.htm> (accessed 6 September 2012).

47 NATO, Press Release, 'NATO to assume command of the International Security Assistance Force (ISAF) in Kabul on Monday, 11 August 2003', 8 August 2003, <http://nato.int/docu/pr/2003/p03-091e.htm> (accessed 6 September 2012).

Islamic State of Afghanistan, welcomed NATO's action in taking responsibility for the international security forces in Afghanistan.⁴⁸

2.25 The NATO-led ISAF continued to assist the Government of Afghanistan to maintain security and create the conditions for stabilization and reconstruction in Kabul and the northern, north-eastern and western regions. On 8 December 2005, NATO formally adopted a revised ISAF operational plan providing for an expansion to the south.⁴⁹ Security, however, remained a serious challenge for Afghanistan with the Taliban targeting attacks against international and local humanitarian workers, coalition forces, ISAF and the Afghan administration.⁵⁰

United Nations Assistance Mission in Afghanistan (UNAMA)

2.26 During the period immediately after 2001, the international community was also endeavouring to help Afghanistan rebuild after years of war.

2.27 On 14 September 2001 and before their defeat, Taliban authorities ordered the expulsion of foreigners from the country. During this month, the UN withdrew its international personnel from Afghanistan for security reasons. The immediate and serious threat to safety also severely curtailed the efforts of NGOs in Afghanistan to provide much needed help. For many years, aid agencies had been delivering vital assistance to the Afghan people, even during periods of intense fighting.⁵¹

2.28 As the security situation began to improve from mid November 2001 and with the fall of the Taliban, the aid community was able to return to continue its work. The UN was once again prepared to resume its aid mission to Afghanistan. For example, in December 2001 alone the World Food Program was able to deliver 115,000 tons of food to Afghans in need.⁵²

2.29 On 14 November 2001, the Security Council adopted resolution 1378 (2001) in which Council members expressed strong support for the efforts of the Afghan people 'to establish a new and transitional administration leading to the formation of a government'. The Council called on Member States to provide:

- support for such an administration and government, including through the implementation of quick-impact projects;

48 NATO, Address by Mr Hamid Karzai, President of the Transitional Islamic State of Afghanistan, 11 August 2003, http://www.nato.int/cps/en/natolive/opinions_20580.htm (accessed 6 September 2012).

49 United Nations, General Assembly, Security Council, A/60/712-S/2006/145, Report of the Secretary-General, paragraphs 46–47.

50 See for example, United Nations, General Assembly, A/RES/60/32A–B, 7 December 2005, which noted increased terrorist attacks caused by al-Qaeda operatives, the Taliban and other extremist groups. See also United Nations, Security Council, S/PRST/2003/7, 18 June 2003.

51 United Nations, General Assembly, Security Council, A/56/681-S/2001/1157, 6 December 2001, paragraph 61.

52 United Nations, General Assembly, Security Council, A/56/875-S/2002/278, 18 March 2002, paragraph 76.

- urgent humanitarian assistance to alleviate the suffering of Afghan people both inside Afghanistan and Afghan refugees, including in mine clearance; and
- long-term assistance for the social and economic reconstruction and rehabilitation of Afghanistan.

2.30 Member States were also urged to support efforts to ensure the safety and security of areas of Afghanistan no longer under Taliban control, and especially to protect civilians, transitional authorities, United Nations and associated personnel, as well as personnel of humanitarian organisations.⁵³

2.31 The task ahead for Afghanistan and the international community was enormous. According to a UN report, a humanitarian disaster of immense proportions was unfolding owing to 'the combined effects of chronic poverty, hunger, war, drought, displacement, and abuse of civilians'.⁵⁴ Millions of Afghans were unable to exercise their fundamental right to adequate food, housing, health and physical security. In 2001, about 7.5 million Afghans lived in areas where almost no health services were available to them. The UN reported that up to an estimated 6 million people, one fourth of the whole population, were vulnerable and in need of assistance.⁵⁵ The safety and well-being of more than 1 million internally displaced people was of major concern.⁵⁶

2.32 Disarmament, mine clearance, the removal of cluster bomb remnants and the reconstruction of the country's infrastructure were needed for the country to recover and rebuild. This task was daunting considering, for example, that in 2000, Afghanistan was held to be one of the most severely landmine-contaminated countries in the world with 720 square kilometres of territory (estimated 10 million mines scattered across the country) known to contain mines. Moreover, the people of Afghanistan were heavily traumatised, particularly those living in front-line communities where people had been subjected 'to summary executions and arbitrary detention on a routine basis'.⁵⁷

53 United Nations, Security Council, S/RES/1378 (2001), adopted by the Security Council at its 4415th meeting, 14 November 2001.

54 United Nations, General Assembly, Security Council, A/56/681-S/2001/1157, 6 December 2001, paragraph 59.

55 United Nations, General Assembly, Security Council, A/56/681-S/2001/1157, 6 December 2001, paragraph 59.

56 United Nations, General Assembly, Security Council, A/55/633-S/2000/1106, 20 November 2000; A/56/681-S/2001/1157, 6 December 2001; and A/56/875-S/2002/278, 18 March 2002.

57 See for example, United Nations, General Assembly, Security Council, A/55/633-S/2000/1106, 20 November 2000; paragraphs 67, 78-79; United Nations, General Assembly, A/56/687, 7 December 2001, paragraphs 37 and 70; and United Nations, General Assembly, A/57/410, 17 September 2002, paragraphs 49 and 88.

2.33 Discrimination against women and minority groups had been a wide spread practice.⁵⁸ In this regard, Care Australia noted that as a result of the Taliban's domination of the country from the mid 1990s and their imposition of a strict ban on girls attending school and females teaching, an entire generation of girls had been denied formal schooling.⁵⁹ In 2001, there were only around 5,000 girls in school.⁶⁰ Overall, at this time, Afghanistan barely rated above the lowest possible score for voice and accountability; political stability and absence of violence; government effectiveness; regulatory quality; rule of law and control of corruption.⁶¹ The UN Secretary-General, described Afghanistan as a 'shattered society'.⁶²

2.34 After the 2001 meeting in Bonn, the 'entire United Nations system' engaged in extensive consultations on proposals for the structure and form of its presence in Afghanistan. The Secretary-General suggested that a proposed mission, the United Nations Assistance Mission in Afghanistan (UNAMA), should be a unified, integrated structure under the authority and leadership of the Special Representative for Afghanistan. The mission's objective should be to provide support for the implementation of the Bonn Agreement processes, including:

...the stabilization of the emerging structures of the Afghan Interim Authority, while recognizing that the responsibility for the Agreement's implementation ultimately rests with the Afghans themselves.⁶³

2.35 On 28 March 2002, the Security Council adopted resolution 1401 which endorsed the establishment of the UNAMA.⁶⁴ The mission's mandate was extended on a number of occasions.⁶⁵ Australia became part of the international donor community pledged to assist Afghanistan with its recovery.⁶⁶

Conclusion

2.36 After two decades of civil war, the government of Afghanistan faced the daunting task of creating an environment that would enable its people to start the process of rebuilding their country's economy, its vital infrastructure and state

58 United Nations, General Assembly, Security Council, A/55/633-S/2000/1106, 20 November 2000, paragraph 66.

59 *Submission 15*, p. 4.

60 Mr Mark Tattersall, AusAID, *Committee Hansard*, 22 March 2013, p. 22.

61 The World Bank Group, 'Worldwide Governance Indicators', http://info.worldbank.org/governance/wgi/sc_chart.asp (accessed 21 March 2013).

62 United Nations, General Assembly, Security Council, A/56/875-S/2002/278, 18 March 2002, paragraphs 103 and 116.

63 United Nations, General Assembly, Security Council, A/56/875-S/2002/278, 18 March 2002, paragraph 98.

64 United Nations, Security Council, S/RES/1401 (2002), adopted on 28 March 2002.

65 See for example, United Nations, Report of the Security Council, 1 August 2002–31 July 2003, A/58/2, p. 5.

66 AusAID, *Annual Report 2002–2003*, p. 50.

institutions. In 2001, many people needed to be resettled, the injured to be rehabilitated, farmers returned to their land and children to school.

2.37 The timely and generous support of the international community was needed to help Afghanistan achieve this goal.⁶⁷ The Bonn agreement in December 2001 provided the first stepping stone that would allow international donors, including Australia, to help Afghanistan toward recovery. In the following chapter, the committee looks at how the international community mobilised to help Afghanistan and, within this context, Australia's contribution to that effort.

67 United Nations, General Assembly, Security Council, A/56/1000–S/2002/737, 11 July 2002, paragraph 58.



The legacy of war

Chapter 3

Development assistance to Afghanistan 2001–2010

3.1 As the security situation gradually improved from mid November 2001, humanitarian agencies began to expand their operations and redeploy their staff to major urban areas in Afghanistan.¹ The country's prospects now presented a fresh opportunity for the new administration and the donor community to tackle the enormous task of recovery.² Australia supported the US and NATO led interventions in Afghanistan. It also responded to the UN call for support and assistance for humanitarian aid and for the restoration and renewal of Afghanistan. In this chapter, the committee provides an overview of international efforts to provide assistance to Afghanistan and, against this backdrop, details Australia's contribution to help the Afghan people rebuild their country and livelihoods.

International context

3.2 The parties to the Bonn Agreement requested the UN, the international community, particularly donor countries and multilateral institutions, 'to reaffirm, strengthen and implement their commitment to assist with the rehabilitation, recovery and reconstruction of Afghanistan, in coordination with the Interim Authority'.³ Within weeks, the international community rallied to the call for assistance.

Tokyo Conference 2002

3.3 In January 2002, just over a month after the meeting in Bonn, representatives from 61 countries and 21 international organisations assembled in Tokyo at an International Conference on Reconstruction Assistance to Afghanistan. The participants reaffirmed their readiness to help Afghan people recover. At this gathering, the Afghan Interim Administration identified the following key priority areas for the reconstruction of the country:

- enhancement of administrative capacity, with emphasis on the payment of salaries and the establishment of the government administration;
- education, especially for girls;
- health and sanitation;
- infrastructure, in particular, roads, electricity and telecommunications;
- reconstruction of the economic system, in particular, the currency system; and

1 United Nations, General Assembly, Security Council, A/56875–S/2002/278, 18 March 2002, paragraphs 76 and 78.

2 United Nations, General Assembly, Security Council, A/56/681–S/2001/1157, 6 December 2001, paragraph 85.

3 The Afghan Bonn Agreement, <http://www.un.org/News/dh/latest/afghan/afghan-agree.htm> (accessed 2 January 2013).

- agriculture and rural development, including food security, water management and revitalising the irrigation system.⁴

3.4 Afghan and international NGOs also held a meeting during which they recognised that to build the capacity of the Afghan people to contribute to reconstruction, it was necessary to focus on education and training, particularly for women.⁵

3.5 The Tokyo conference was the first of a number of international gatherings that would bring the government of Afghanistan and the international donor community together in a combined effort to ensure that development assistance would be used most effectively to rebuild the country. Although not part of this series of meetings, the Paris Declaration in 2005 stands out as a major landmark for international development assistance, which influenced the thinking at subsequent meetings on Afghanistan.

Paris Declaration 2005

3.6 In March 2005, over 90 participating countries and 40 organisations endorsed a strategy designed to improve the effectiveness of development assistance and made a commitment to the following principles:

- ownership by partner country—respect the recipient country's leadership and help to strengthen their capacity to exercise it;
- alignment—base overall support on partner country's national development strategies, institutions and procedures including by using the recipient country's own institutions and systems, where these provide assurance that aid will be used for agreed purposes;
- harmonisation—complement aid activities so that they are transparent and collectively effective, including by donors working together to reduce the number of separate, duplicative missions to the field and promote joint training to share lessons learnt and build a community of practice;
- managing for results—link country programming and resources to results and align them with effective partner country performance assessment frameworks; and
- mutual accountability—provide timely, transparent and comprehensive information on aid flows to enable partner authorities to present comprehensive budget reports to the legislatures and citizens and with partners assessing mutual progress in implementing agreed commitments.⁶

4 Co-chairs' Summary of Conclusions, The International Conference on Reconstruction Assistance to Afghanistan, 21–22 January 2002.

5 Co-chairs' Summary of Conclusions, The International Conference on Reconstruction Assistance to Afghanistan, 21–22 January 2002, paragraphs 4 and 13.

6 *The Paris Declaration on Aid Effectiveness and the ACCRA Agenda for Action*, 2005 and 2008 respectively.

3.7 These foundation principles formed an important platform for decisions and agreements reached in the series of conferences on development assistance to Afghanistan that followed the first Tokyo conference in 2002. The London Conference in 2006 marked the next significant milestone.

London Conference 2006 and the Afghanistan Compact

3.8 At the beginning of 2006, the newly-elected Government of Afghanistan and the international community gathered in London to devise a strategy for solving Afghanistan's problems. They reached agreement on a compact, which enunciated the objectives for state building and set benchmarks in core sectors of security, governance, rule of law and human rights; and economic and social development.⁷ Under this compact, donors would among other things:

- provide assistance within the framework of the Afghanistan National Development Strategy (ANDS);
- increasingly provide more predictable and multiyear funding commitments or indications of multiyear support to Afghanistan;
- increase the proportion of donor assistance channelled through the core budget, as well as through other more predictable core budget funding modalities in which the Afghan Government participates;
- provide assistance for the development of public expenditure management systems essential for improving transparency and accountability in the use of donor resources and countering corruption;
- recognise that, because of the need to build Afghan capacity, donor assistance provided through the external budget would be designed to build this capacity in the government as well as the private and non-profit sector;
- ensure that development policies (including salary policies) strengthen national institutions that are sustainable in the medium to long term for delivery of programs by the government;
- within the principles of international competitive bidding, promote the participation in the bidding process of the Afghan private sector and South-South cooperation⁸ in order to overcome capacity constraints and to lower costs of delivery; and

7 For example, by the end of 2010, the objective for education was to have net enrolment in primary school of at least 60% of girls and 75% of boys; a new curriculum in operation in all secondary schools; the number of female teachers increased by 50%; and 70% of Afghanistan's teachers pass a competency test. The Afghanistan Compact, London, 31 January–1 February 2006.

8 Overall, the objective of South-South cooperation is for developing countries of the South to foster national and collective self-reliance by promoting cooperation in all areas. See United Nations General Assembly, A/64/504, 'Promotion of South-South cooperation for development: a thirty-year perspective', 27 October 2009, Report of the Secretary-General, <http://southsouthconference.org/wp-content/uploads/2009/11/A-64-504-E.pdf> (accessed 4 January 2013).

- provide timely, transparent and comprehensive information on foreign aid flows covering the nature and amount of assistance provided through the core and external budgets.

3.9 In respect of aid not channelled through the core budget, participating countries to the Afghan compact agreed to endeavour to:

- harmonise the delivery of technical assistance in line with government needs to focus on priority areas and reduce duplication and transaction costs;
- reduce the external management and overhead costs of projects by promoting the Afghan private sector in their management and delivery;
- increasingly use Afghan national implementation partners and equally qualified local and expatriate Afghans; and
- increase procurement within Afghanistan of supplies for civilian and military activities; and use Afghan materials in the implementation of projects, in particular for infrastructure.⁹

3.10 The Government of Afghanistan undertook to provide a 'prioritised and detailed Afghanistan National Development Strategy (ANDS) with indicators for monitoring results'. As a participating country to the 2006 Afghanistan Compact, Australia affirmed its commitment to improve the effectiveness of the aid being provided to Afghanistan in accordance with the Paris Declaration on Aid Effectiveness.

Paris 2008 and the Afghanistan National Development Strategy (ANDS)

3.11 After two years of extensive consultations, the Afghan Government produced its National Development Strategy covering the period 2008–2013. President Hamid Karzai described it as an 'Afghan-owned blueprint for the development of Afghanistan in all spheres of human endeavour'.¹⁰ Although focused on the next five years, the ANDS was to serve as Afghanistan's 'roadmap for the long-desired objective of Afghanization' as the country transitioned 'towards less reliance on aid and an increase in self-sustaining economic growth'.¹¹

3.12 The strategy's overriding objectives were to reduce poverty substantially, improve the lives of the Afghan people, and create the foundation for a secure and

9 The London Conference on Afghanistan, *The Afghanistan Compact*, London 31 January–1 February 2006, http://www.diplomatie.gouv.fr/fr/IMG/pdf/afghanistan_compact.pdf (accessed 11 September 2012).

10 Islamic Republic of Afghanistan, *Afghanistan National Development Strategy, 1387–1391 (2008–2013)*, A Strategy for Security, Governance, Economic Growth and Poverty Reduction, p. v.

11 Islamic Republic of Afghanistan, *Afghanistan National Development Strategy, 1387–1391 (2008–2013)*, A Strategy for Security, Governance, Economic Growth and Poverty Reduction, p. v.

stable country'.¹² It recognised that, despite the government's commitment and the considerable assistance provided by the international community, achieving all its objectives fully would not be possible in five years. The ANDS made clear that the principles of the Paris Declaration would undergird the strategy.¹³

3.13 In June 2008, the Afghan Government and the international community adopted the ANDS as a common framework for joint action over the coming five years. Meeting in Paris, the donor countries agreed to align their efforts behind the financing and implementation of the strategy. They gave their commitment to a 'strengthened partnership, based on Afghan leadership, on a set of agreed priorities, and on mutual obligations.' In their declaration, the international community agreed to provide increased, more predictable, transparent and accountable assistance and to deliver it in a more coordinated way. Aid was to be channelled increasingly through the national budget as strengthened and accountable government institutions acquired greater capacity for management. The international community also agreed that aid would be provided in order to: focus on state building; avoid parallel structures; promote local procurement and capacity building; and ensure that the benefits would reach all provinces equitably.¹⁴

International assistance and the transition

London Conference 2010

3.14 Two years later, at the London Conference in January 2010, the international community pledged to maintain its long term commitment to Afghanistan as previously set out in the 2002 Tokyo Conference, the 2006 Afghanistan Compact and the 2008 Paris Declaration. Conference participants in London in 2010 re-affirmed the goals of greater Afghan leadership, increased regional cooperation and more effective international partnership. They stated their commitment to make intensive efforts to ensure that the Afghan government was 'increasingly able to meet the needs of its people through developing its own institutions and resources'.¹⁵

3.15 The conference communiqué welcomed the international community's commitment to more effective and properly resourced civilian engagement and to support the Afghan Government in order to improve the performance of international

12 Islamic Republic of Afghanistan, *Afghanistan National Development Strategy, 1387–1391 (2008–2013)*, A Strategy for Security, Governance, Economic Growth and Poverty Reduction, pp. 5–6.

13 Islamic Republic of Afghanistan, *Afghanistan National Development Strategy, 1387–1391 (2008–2013)*, A Strategy for Security, Governance, Economic Growth and Poverty Reduction, pp. 6 and 155.

14 Declaration of the International Conference in Support of Afghanistan, issued under the authority of the Three Co-chairs, the President of the French Republic, the President of the Islamic Republic of Afghanistan and the Secretary-General of the United Nations, Paris, 12 June 2008.

15 Communiqué issued at the London Conference, 28 January 2010, paragraphs 3 and 4, http://www.isaf.nato.int/images/stories/File/factsheets/Documents_Communique%20of%20London%20Conference%20on%20Afghanistan.pdf (accessed 11 December 2012).

civilian assistance. It also recognised the international community's commitment to align its assistance more closely with Afghan priorities, in keeping with the Paris principles on aid effectiveness.¹⁶ Conference participants also undertook to help the Afghan Government's anti-corruption efforts by providing assistance to the new institutions and to increase the transparency and effectiveness of their own aid in line with the 2008 Paris Conference Declaration and the United Nations Convention Against Corruption.¹⁷

Kabul 2010

3.16 Shortly after the London meeting, another was held in Kabul in July 2010, where the Afghan government and the international community recognised that to achieve success their partnership should be based on Afghanistan's leadership and ownership—the two key principles of aid effectiveness.¹⁸ Donors stated their intention to realign their assistance to advance Afghanistan's priorities and reaffirmed the commitments made in London to channel a greater share of international resources through the Afghan Government budget.¹⁹

Summary of international developments 2001–2010

3.17 From Bonn in 2001 through to the Kabul conference in 2010, the Afghan Government and international community endeavoured to establish principles and guidelines for the effective delivery of development assistance to Afghanistan. They understood that if Afghanistan were to recover and rebuild, it had eventually to take charge of its own affairs but that it needed outside assistance to fund and develop the capacity to do so. The international community recognised the importance of working in partnership with the Afghan Government; of aligning its assistance with the government's priorities; and of increasing the proportion of funds channelled through the national budget.

3.18 Against this background, the committee in the following section traces the evolving nature of Australia's development assistance to Afghanistan.

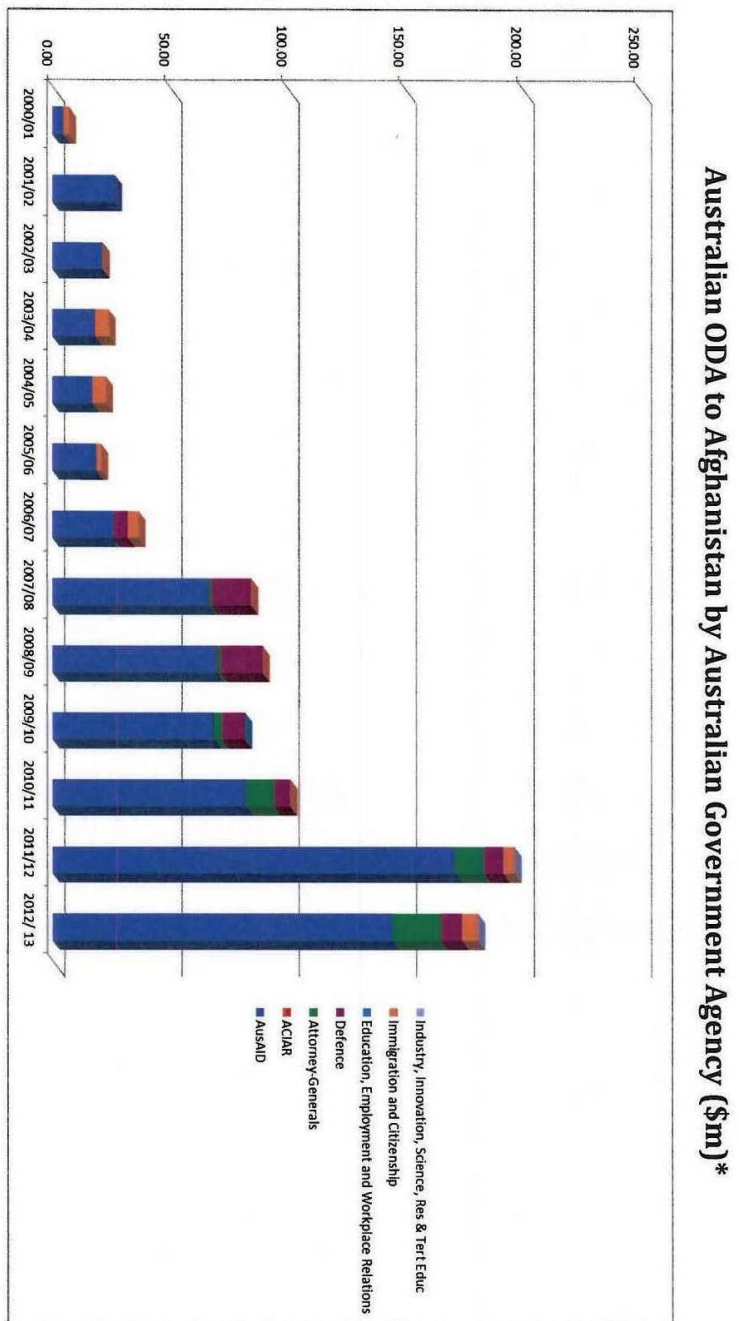
16 Communiqué issued at the London Conference, 28 January 2010, paragraph 31.

17 Communiqué issued at the London Conference, 28 January 2010, paragraph 24.

18 Communiqué, Kabul International Conference on Afghanistan, 20 July 2010, paragraphs 1–2.

19 Communiqué, Kabul International Conference on Afghanistan, 20 July 2010, paragraph 5.

3.19 Table 3.1: Australian ODA to Afghanistan by Australian Government Agency (\$m)



Government Department	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
AusAID	4.50	26.50	21.10	17.80	16.70	18.63	26.00	66.43	69.81	68.74	82.45	171.27	144.92
ACIAR							0.17	0.11	0.31	0.13	0.04	0.05	0.05
Attorney-Generals								0.87	1.38	3.24	11.98	12.37	20.23
Defence				0.20	0.10		5.90	17.15	18.01	9.96	6.70	8.25	9.02
Education, Employment and Workplace Relations							2.50	0.30	0.02	0.06	0.07	0.06	0.06
Immigration and Citizenship											0.17	4.73	6.91
Industry, Innovation, Science, Res & Tert Educ												0.04	0.08
Total	7.00	26.50	21.40	23.90	22.70	20.68	36.64	84.71	89.56	82.13	101.42	196.75	181.16

*2012/13 data reflects the estimated budget forecast as at May 2012, adjusted in February 2013 for AFP and Defence cost savings. The sum of Departmental line items does not equal all total figures due to rounding.

Overview—Australian ODA

3.20 Australia's aid program is one element of 'an integrated whole-of-government effort involving interlinked security, diplomatic and development objectives'.²⁰ The diagram on the previous page shows the amount of Australian ODA to Afghanistan and the government departments and agencies engaged in delivering aid to Afghanistan from 2001–2013. It should be noted that this diagram is a revised version of the one originally provided to the committee in AusAID's submission. Due to Defence's overestimation of ODA eligible funds the amount of ODA attributed to Defence has been reduced significantly.

Funding and priorities before 2001

3.21 Before 2001, Australian aid to Afghanistan was minimal and directed mainly toward Australia's landmine action program. This program was designed to help people in Afghanistan lead more productive lives by 'demining arable land, reducing casualty rates by mine mapping and education, and helping victims reintegrate into society by retraining and assisting with their medical needs'.²¹ Australia also directed its bilateral and multilateral efforts to assisting countries of first asylum such as Iran and Pakistan to deal with long term caseloads of Afghanistan refugees.

Funding and priorities—2001–2005

3.22 In the years immediately following the Bonn Agreement, Australia's aid to Afghanistan's recovery was modest, rising from a relatively low base of \$7 million in 2000–01 to between \$20.68 million and \$26.5 million in the subsequent five years. During this period, the Australian Agency for International Development (AusAID) and the Department of Immigration and Citizenship (DIAC) were the only significant agencies delivering development assistance to Afghanistan.

3.23 In 2001–2002, AusAID disbursed over \$37 million to provide humanitarian relief and reconstruction assistance to Afghan people affected by war, drought and earthquake. At that time, the funding represented Australia's second largest contribution to a single humanitarian effort, exceeded only by East Timor.²² Australia also supported emergency medical assistance, landmine awareness and clearance activities, capacity building for Afghan civil society groups and for the local administration. To do so, it used the Afghanistan Interim Authority Trust Fund, which was administered by the United Nations Development Programme (UNDP).²³

3.24 The following financial year, 2002–03, Australian aid to Afghanistan was again primarily humanitarian, targeted at priority needs for medical assistance, mine action, food security, basic education and help for displaced and returning Afghans. Assistance, however, was also provided for drug control and reconstruction activities

20 Mr Scott Dawson, *Committee Hansard*, 3 December 2012, p. 1.

21 AUSAID, *Annual Report 1999–2000*, p. 62.

22 AusAID, *Annual Report 2001–2002*, p. 90.

23 AusAID, *Annual Report 2001–2002*, p. 90.

in areas such as banking and finance.²⁴ The Australian Centre for Internal Agricultural Research (ACIAR) provided \$650,000 in multilateral funding for the 'Seeds of Strength' project, which commenced in 2002.²⁵

3.25 Although Australia's aid program to Afghanistan focused on humanitarian assistance including the return and reintegration of displaced Afghans and improving food security, it also sought to assist Afghanistan by building the capacity of national institutions to manage a successful transition to a democratic society.²⁶ For example during 2004–2005, Australia provided \$5 million for governance and electoral support for the October 2004 presidential elections in Afghanistan and preparations for the parliamentary elections in late 2005.²⁷

Australian presence in Afghanistan

3.26 During this early period, AusAID did not have a permanent presence in Afghanistan and Australia provided aid as part of a coordinated international effort delivered through contributions to multilateral organisations including United Nations agencies.²⁸ The main NGOs and organisations receiving Australian funds were the World Food Program, UNICEF, International Committee for Red Cross, United Nations High Commissioner for Refugees (UNHCR), and the International Organisation for Migration (IOM).²⁹

Funding and priorities—2006–2009

3.27 At the 2006 London Conference, Australia renewed its bilateral aid commitment to Afghanistan.³⁰ It pledged \$150 million with funding beyond mid-2007 subject to the Government of Afghanistan's performance against benchmarks contained in the 2006 compact.³¹ Indeed, between 2006 and 2009 Australia's ODA to Afghanistan increased significantly from an average of around \$20.3m per year for the

24 AusAID, *Annual Report 2002–2003*, p. 64.

25 ACIAR *Annual Report 2002–2003*, p. 53 and 2003–2004, p. 67. Overall, between July 2001 and June 2003, Australia disbursed more than \$60 million in assistance to Afghanistan. According to AusAID, this level of support then represented Australia's third largest contribution to a humanitarian effort exceeded only by East Timor and Iraq. AusAID *Annual Report 2002–2003*, p. 64.

26 AusAID, *Annual Report 2004–2005*, p. 87 and AusAID, *Annual Report 2005–06*, pp. 93–94.

27 AusAID, *Annual Report 2004–2005*, p. 87 and also Statement by the Hon Alexander Downer MP, Minister for Foreign affairs, 'Australia's International Development Cooperation 2004–05', 11 May 2004, pp. 42–43.

28 AusAID, *Annual Report 2002–2003*, p. 64.

29 AusAID, *Annual Report 2001–2002*, p. 90.

30 Department of Foreign Affairs and Trade, *Annual Report 2005–06*, p. 53.

31 AusAID, *Annual Report 2005–06*, pp. 93–94. At the London Conference on Afghanistan in 2006, the Australian Government pledged 'an indicative \$150 million over the next five years to support Afghan peace and nation building'. Statement by the Hon Alexander Downer MP, Minister for Foreign Affairs, 'Australia's Overseas Aid Program 2006–07', 9 May 2006, p. 50.

preceding 5 years to \$36.6m in 2006–07, \$84.7m in 2007–08, \$90m in 2008–09, dipping to \$82m in 2009–10.³²

3.28 On the diplomatic front, the government decided to establish an embassy in Kabul, which prompted a whole-of-government effort to prepare for the embassy's opening in September 2007.³³ At this time, the Department of Foreign Affairs and Trade (DFAT) established a new Direct Aid Program in Afghanistan, a flexible small grants scheme, administered by the embassy in Kabul.

3.29 Throughout this period, Australia's aid program continued to focus on helping the Afghan Government build its ability to provide security and deliver essential services, including health and education.³⁴ Australia provided training and capacity building activities to key ministries including health, education, rural reconstruction and development, agriculture, irrigation and livestock.³⁵ It also focused on improving infrastructure including water supply and sanitation, rural roads and irrigation.³⁶ Reconstruction and development efforts in Afghanistan were underpinned by the priorities and goals of the 2006 Afghanistan Compact and the ANDS.³⁷

3.30 Through support to the Afghanistan Independent Human Rights Commission, Australia continued funding for demining operations, assisting the victims of mines and improved human rights conditions.

Resettlement

3.31 As part of its resettlement program in Afghanistan, the Department of Immigration and Citizenship (DIAC) commenced a project in September 2006 to build accommodation for refugees. The settlement, named AliceGhan, sought to provide housing, public services, infrastructure and vocational training and employment opportunities for vulnerable returnee families.³⁸ The committee discusses this project further when it considers the effectiveness of Australia's aid to Afghanistan.

Reconstruction (Uruzgan)

3.32 In 2006, to assist in the reconstruction of infrastructure in Afghanistan, Australia deployed a Reconstruction Task Force of 400 ADF troops as part of the Dutch-led Provincial Reconstruction Team (PRT) in Uruzgan with supplementation of

32 Australia's ODA to Afghanistan then climbed to \$102.5m and \$191.1m respectively for 2010–11 and 2011–12.

33 Department of Foreign Affairs and Trade, *Annual Report 2005–06*, pp. 11, 51 and 53.

34 AusAID, *Annual Report 2006–07*, p. 90.

35 AusAID, *Annual Report 2007–08*, p. 111.

36 AusAID, *Annual Report 2007–08*, p. 111.

37 AusAID, *Annual Report 2007–08*, pp. 110–111.

38 United Nations Development Programme, Afghanistan, ALICEGHAN, 2nd Quarter Project Progress Report, 2009.

\$218.2 million over three years.³⁹ This contribution to the PRT as part of ISAF was the first time that Australia had deployed troops to a NATO operation.⁴⁰ It marked a notable surge in development activity by Defence in Afghanistan, which accounted for around 16 per cent of Australia's ODA to Afghanistan in 2006–07 rising to 20 per cent in 2007–08 and 2008–09 (this is based on the revised figures).

3.33 The Uruzgan PRT, one of more than 26 such teams operating across Afghanistan, comprised both civilian and military personnel working together in support of the outreach delivery of governance and development activities.⁴¹ First established in 2003, PRTs were responsible for overseeing governance and development efforts in their respective province. The teams were to assist 'in establishing security in the areas of their deployment to facilitate the establishment and work of provincial administrations and development organizations and to promote rule of law'.⁴²

3.34 Initially, the ADF Reconstruction Task Force in Uruzgan was a mix of engineers and security personnel working on rebuilding vital infrastructure (hospitals, schools, bridges, causeways and culverts) and community-based projects.⁴³ As 2008 progressed, Defence indicated that the force in Afghanistan would transition to a mentoring and reconstruction role in Uruzgan with the deployment of ADF mentors to train the Afghan National Army (ANA).⁴⁴ This development would align with the broader strategy of establishing a self-reliant Afghan National Security Force.⁴⁵ The Mentoring and Reconstruction Task Force's mission was then twofold—reconstruction and training and mentoring. The Chief of the Defence Force (CDF) noted that as time went on, the focus would be 'very much on transiting into training':

39 Department of Defence, *Defence Annual Report 2005–06*, p. 53; Department of Defence, *Defence Annual Report 2006–07*, p. 5 and Department of Foreign Affairs and Trade, *Annual Report 2005–06*, p. 58.

40 Department of Foreign Affairs and Trade, *Annual Report 2005–06*, p. 58.

41 Department of Defence, Afghanistan Fact Sheet, <http://www.defence.gov.au/op/afghanistan/info/factsheet.htm> (accessed 7 January 2013); Statement by Senator the Hon Bob Carr, Minister for Foreign Affairs, 'Australia's International Development Assistance Program 2012–2013: Helping the World's Poor: Implementing Effective Aid', 8 May 2012, Budget 2012–13, pp. 65, 102, http://www.budget.gov.au/2012-13/content/ministerial_statement/ausaid/html1/ausaid.htm (accessed 11 September 2012).

42 United Nations, General Assembly, Security Council, A/60/224–S/2005/525, 12 August 2005, paragraph 69. See also Department of Defence, Afghanistan Fact Sheet, <http://www.defence.gov.au/op/afghanistan/info/factsheet.htm> (accessed 7 January 2013).

43 Department of Defence, *Defence Annual Report 2006–07*, pp. 17 and 22; See also Department of Defence, *Defence Annual Report 2007–08*, p. 45. See also Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 21 October 2009, p. 33.

44 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 21 October 2009, p. 34.

45 Department of Defence, *Defence Annual Report 2007–08*, p. 6.

that the Australian force would become more engaged in training the ANA and the Afghan National Police (ANP).⁴⁶

3.35 In late 2007, AusAID deployed the first of its development advisers to Uruzgan province to support the reconstruction efforts of the ADF's Reconstruction Task Force.⁴⁷

Law and order

3.36 AFP personnel were not directly involved in delivering assistance to Afghanistan until 2006. Late that year, after formal requests for assistance from the governments of the United Kingdom and Afghanistan, the Australian Government decided to deploy AFP officers.⁴⁸ This decision was taken following two scoping missions to the country that reviewed the security situation and other issues such as immunities, protections and coalition facilities available for AFP personnel.⁴⁹ DFAT worked on negotiations for a memorandum of understanding on privileges and immunities covering AFP members to make their deployment possible.⁵⁰

3.37 At the beginning of 2007, the Minister for Justice and Customs announced that AFP personnel would be deployed to Afghanistan for an initial period of two years to support the international effort to assist police in Afghanistan. Funding of \$5.357 million over two years was made available for the deployment.⁵¹

3.38 Of the first contingent of four officers who served in Afghanistan between October 2007 and October 2008, two agents were based in Kabul to mentor senior police and act as high-level advisors to the Afghan National Police (ANP). They assisted the multinational security transition force that was overseeing efforts to train and build the capability of the ANP.⁵² The other two agents were placed in advisory roles with the Counter Narcotics Police of Afghanistan (CNPA) in Jalalabad in the eastern part of the country. They worked under the auspices of the British Embassy Drug team and their appointments were in response to a request for assistance from the UK Foreign and Commonwealth Office. The Office was seeking advisors with experience investigating illegal narcotics to join the CNPA, which managed all major drug investigations in Afghanistan.⁵³ The AFP understood that the large scale

46 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 21 October 2009, p. 34.

47 AusAID, *Annual Report 2007–08*, p. 111.

48 Australian Federal Police, *Annual Report 2006–07*, p. 56.

49 Senator the Hon. Christopher Ellison, Minister for Justice and Customs, Media Release, E3/07, 31 January 2007.

50 Department of Foreign Affairs and Trade, *Annual Report 2006–07*, p. 73.

51 Australian Federal Police, *Annual Report 2006–07*, pp. 56–57.

52 Australian Federal Police, *Annual Report 2008–09*, p. 74 and Senator the Hon Christopher Ellison, Minister for Justice and Customs, Media Release, E3/07, 31 January 2007.

53 Senator the Hon Christopher Ellison, Minister for Justice and Customs, Media Release, E3/07, 31 January 2007 and Australian Federal Police, *Annual Report 2007–08*, p. 58.

production of opium in Afghanistan fuelled the Taliban-led insurgency, threatening regional and international security.⁵⁴

3.39 In May 2008, an additional eight AFP officers were deployed to Afghanistan to assist in capacity development and counter-narcotics activities. The deployment comprised specialist police personnel who were placed in selected locations within Afghanistan as part of Australia's wider effort to support international stabilisation. The officers provided high level advice to the NPA and assumed advisory roles with the CNPA.⁵⁵ The AFP explained that the mission had a particular focus on countering the production and trade of narcotics:

As part of a whole-of-government response to the counter-narcotics challenge, the deployment provides strategic, analytical and intelligence advice on counter-narcotics and law enforcement activities being conducted within wider international stabilisation activities.⁵⁶

3.40 The AFP's work was undertaken in cooperation with the Government of Afghanistan. Although the AFP recognised that its contribution was relatively small, the placement of its personnel within Coalition commands and operational organisations allowed it to support the international effort at the strategic and operational levels.⁵⁷

3.41 Between 2009 and 2010, the AFP deployed a further 12 members to Afghanistan to support ANP counter-narcotic efforts. Located in Kabul and Kandahar, they were 'strategically placed within the Crimes Task Force, the Inter-Agency Operations Coordination Centre and the Combined Joint Inter Agency Task Force'. The officers worked on intelligence analysis and developed strategic direction and planning for ANP capability enhancement. AFP members also provided 'strategic direction to the Afghan-led Major Crimes Task Force'. Coalition partners developed this task force to improve and promote an Afghan national investigation capability to target high-level corruption, kidnapping and organised crime.⁵⁸

3.42 It should be noted that expenditure on police training is reportable as ODA, unless the training relates to paramilitary functions such as counter-insurgency work or intelligence gathering on terrorism.⁵⁹

54 The Hon Bob Debus, Minister for Home Affairs, Media Release, 'AFP Numbers Boosted in Afghanistan', Budget 2008–09, 13 May 2008.

55 Australian Federal Police, *Annual Report 2008–09*, p. 74; the Hon Bob Debus, Minister for Home Affairs, Media Release, 'AFP Numbers Boosted in Afghanistan', Budget 2008–09, 13 May 2008.

56 Australian Federal Police, *Annual Report 2008–09*, p. 74.

57 Australian Federal Police, *Annual Report 2008–09*, p. 74.

58 Australian Federal Police, *Annual Report 2009–10*, p. 96.

59 OECD, 'Is it ODA?', Factsheet—November 2008, www.oecd.org/dac/stats (accessed 3 January 2013).

Alignment with the 2008 Paris Declaration

3.43 In June 2008, the then Minister for Foreign Affairs, the Hon Stephen Smith, pledged a further \$250 million in reconstruction and development assistance to Afghanistan over the next three years. The extra funding was to assist Afghanistan to provide better health and education services, secure food supplies in the face of rising world prices, strengthen its police force and expand landmine action programs. In accord with the Paris Declaration of 2008, Australia undertook to align its development assistance with Afghanistan's strategy goals in the key areas of security, governance, rule of law and human rights, and economic and social development.⁶⁰

Training and mentoring

3.44 During 2009, the international community became increasingly aware of the need for its effort to be more comprehensive and inclusive: for there to be a collective resolve to promote government development and police capability as well as security.⁶¹ In March 2009, Australia's Foreign Minister welcomed the call for a comprehensive approach to Afghanistan. He stated that a military campaign alone would not solve Afghanistan's problems: that there was a need to better integrate military and civilian efforts across the country.⁶²

3.45 The following month, the then Prime Minister indicated that Australia concurred with the view that the current civilian and military strategy was not working and had decided to increase Australia's medium term contribution to Afghanistan. He announced that a key objective was to train Afghan forces so that in time they could take over responsibility for Uruzgan province.⁶³ Australia's commitment would also include increased civilian support for governance, reconstruction and development, with an emphasis on enhanced support for the provincial administration of Uruzgan.⁶⁴ The Prime Minister also indicated that an additional AFP training and advisory team of approximately ten officers would be deployed to train and advise the ANP. Six officers were posted to Uruzgan Province to mentor and advise training staff at the Tarin Kowt Provincial Training Centre and to assist the ANP build and develop core policing capabilities.⁶⁵ The Prime Minister explained that these civilian efforts would:

60 The Hon Stephen Smith MP, Minister for Foreign Affairs and Trade, Media release, 'Australia pledges \$250 million in further assistance for Afghanistan', 12 June 2008, http://www.foreignminister.gov.au/releases/2008/fa-s093_08.html (accessed 4 January 2013); AusAID, *Annual Report 2008–2009*, p. 112.

61 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 1 June 2009, p. 153.

62 The Hon Stephen Smith MP, Minister for Foreign Affairs and Trade, 'Statement to the International Conference on Afghanistan', The Hague, 31 March 2009, http://www.foreignminister.gov.au/speeches/2009/090331_ica.html (accessed 4 January 2013).

63 The Hon Kevin Rudd, Prime Minister of Australia, Interview, Press Conference, Parliament House, Canberra, 29 April 2009.

64 AusAID, *Annual Report 2008–2009*, p. 113 and AusAID, *Annual Report 2009–2010*, p. 112.

65 The Hon Brendan O'Connor MP, Minister for Home Affairs, 'AFP deployment to Afghanistan', Parliament House, Canberra, 28 April 2010.

...help ensure, for each military success that we have, that success is appropriately reinforced through policing efforts and development assistance that strengthens, also the local economy.⁶⁶

3.46 Thus, in Uruzgan, where Australian troops were concentrated, AusAID, DFAT and AFP officers worked alongside the ADF on reconstruction, stabilisation and capacity building efforts as part of the PRT.⁶⁷

Funding and priorities 2010—2012

3.47 Between 2010 and 2012, Australia's ODA increased markedly. In 2009–10, aid delivered through AusAID's country program to Afghanistan totalled \$53.3 million.⁶⁸ According to AusAID, its country program increased by 50% in 2010–2011 to \$106 million out of a total ODA of \$123.1 million (Figure 3.1 shows \$101.4m).⁶⁹ AusAID established a new Afghanistan and Pakistan Branch incorporating two Afghanistan sections and a Minister Counsellor was deployed to Kabul to head AusAID's in-country operations.⁷⁰

3.48 In 2011–12, AusAID's country program to Afghanistan increased further to \$164.4 million which together with other assistance through regional and global programs and other government agencies brought Australia's total ODA to an estimated \$196.7 million.⁷¹

Leadership of the Uruzgan PRT

3.49 While AusAID continued to work at the national level to strengthen the Afghan Government's capacity to deliver basic services, particularly to women and children, it also provided such assistance at the provincial level, with a special focus on Uruzgan province.⁷² According to AusAID, during 2010–11 approximately 80 per cent of its assistance was delivered at the national level, with the remainder going to

66 The Hon Kevin Rudd, Prime Minister of Australia, Interview, Press Conference, Parliament House, Canberra, 29 April 2009.

67 AusAID, *Annual Report 2009–2010*, p. 4.

68 AusAID, *Annual Report 2009–2010*, p. 112. The Report stated that other Australian assistance through AusAID's regional and global programs and other government departments brought Australia's total ODA to an estimated \$130.1 million—the revised ODA total as shown in Table 3.1 now shows that total for 2009/10 at \$82.13 million.

69 AusAID, *Australia's strategic approach to aid in Afghanistan 2010–2012*, December 2010, p. 10.

70 AusAID, *Submission 16*, p. 14.

71 See revised AusAID table 3.1.

72 AusAID, *Annual Report 2010–2011*, pp. 121–122.

Uruzgan where its whole-of-government mission contributed to governance and development, infrastructure reconstruction and police training in the province.⁷³

Increase in personnel

3.50 When the Netherlands withdrew from Uruzgan province in August 2010, Australia assumed leadership of the Joint Australian/US/Uruzgan PRT, which comprised roughly 175 personnel, mostly US and Australian.⁷⁴

3.51 The decision to lead the Uruzgan PRT provided added impetus to Australia's commitment to train ANA and the ANP and to increase the civilian side of its contingent in Afghanistan. The number of personnel deployed to Afghanistan increased notably and there was a sizeable boost in ODA with AusAID's contribution far outstripping that of other agencies.⁷⁵ A civilian leader from DFAT took leadership of this integrated civil-military team with around 30 other Australian civilians drawn from DFAT, AusAID and the AFP.⁷⁶

3.52 During 2010, AusAID added another five personnel to its staff located in Afghanistan taking the total to nine officers—an increase from three to six in Tarin Kowt; from one to two in Kabul; and one in Kandahar.⁷⁷ An AusAID senior officer was posted to the Uruzgan PRT as Deputy Director to lead its development operations. In addition, four Development Advisers were appointed to plan and facilitate PRT development activities.⁷⁸

3.53 DFAT's staff doubled to 11 with personnel increases from three to seven in Kabul; from one to three in Uruzgan Province and one staff member in Kandahar.⁷⁹ The number of AFP personnel reached 28:

- 21 were at Tarin Kowt involved in training and mentoring Afghan National Police;

73 AusAID Afghanistan, <http://www.usaid.gov.au/countries/southasia/afghanistan/Pages/home.aspx#aid> (accessed 10 September 2012) and AusAID, *Annual Report 2010–2011*, p. 121. See also Department of Defence, *Defence Annual Report 2010–11*, p. 4.

74 Department of Defence, *Defence Annual Report 2010–11*, pp. 64–65 and DFAT *Submission 22*, pp. 3–4; ACFID, *In it for the Long Haul? Delivering Australian aid to Afghanistan*, ACFID Research in Development Series Report no. 1, March 2011, p. 1 and AusAID, *Submission 16*, p. 14. In early 2003, members of the international coalition in Afghanistan began to deploy provincial reconstruction teams outside of Kabul. United Nations, General Assembly, Security Council, A/60/224–S/2005/525, 12 August 2005, paragraph 69.

75 See for example, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 1.

76 Department of Defence, *Defence Annual Report 2010–11*, p. 4.

77 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 31 May 2010, p. 14.

78 AusAID, *Submission 16*, p. 14.

79 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 31 May 2010, p. 14.

- 3 were in Kandahar with the NATO Training Mission-Afghanistan (NTM-A), the Joint Regional ANP Centre and the Counter Narcotics Joint Interagency Task Force Afghanistan; and
- 4 were in Kabul providing command for the AFP Mission, liaison with the NTM-A and providing support to countering serious criminality through engagement in the International Operations Coordination Centre (IOCC) and training the Afghan Major Crime Task Force.⁸⁰

3.54 According to the AFP, the role of its officers related directly to training the ANP and assisting in the development of ANP capabilities to deal with criminality in Afghanistan.⁸¹

3.55 The additional civilian personnel would take the total of non-Defence people in Afghanistan to 52 (including the 30 in Uruzgan)—DFAT, AusAID and AFP.⁸² Defence explained that the deployment of additional DFAT personnel complemented and would support Australia's substantial military, policing and aid commitments.⁸³

Post 2012

3.56 Australia is committed to making Afghanistan its third largest recipient (in volume) of Australian ODA.⁸⁴ Australia's total ODA for Afghanistan was expected to be just over \$200 million for 2012–13 climbing to \$250 million for 2015–16.⁸⁵ Importantly, Australia has allocated and continues to direct a significant portion of its aid assistance to Afghanistan through the World Bank administered Afghanistan Reconstruction Trust Fund (ARTF). Australia's future contribution to Afghanistan is discussed in Part III of the report.

Conclusion

3.57 The Bonn Agreement reached at the end of 2001 recognised the important role that the international community would have in helping the interim authority of Afghanistan start to rebuild the country. In a number of subsequent gatherings, the international community continued to offer its support and commit to the effective delivery of assistance.

3.58 Australia became part of the international donor community pledged to assist Afghanistan with its rehabilitation, recovery and reconstruction. Since 2001,

80 AFP, Media Release, 'AFP clarifies its commitment to Afghanistan', 1 January 2011. One of the NTM-A's main tasks was to support the ANSF, including coordinating international efforts to train, equip and sustain the ANA, ANP and the Afghan Air Force, <http://www.aco.nato.int/page272701224.aspx> (accessed 4 January 2013).

81 AFP, Media Release, 'AFP clarifies its commitment to Afghanistan', 1 January 2011.

82 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 31 May 2010, pp. 20–21.

83 Department of Defence, *Defence Annual Report 2010–11*, p. 62.

84 AusAID, *2011–2012 Annual Review of Aid Effectiveness*, p. 37.

85 Mr Scott Dawson, AusAID, *Committee Hansard*, 3 December 2012, p. 4.

Australia's ODA to Afghanistan has moved through three broad and overlapping phases. The first involved AusAID and, to a lesser extent, DIAC with Australia's overall expenditure well below \$30 million. Much of this aid was funnelled through NGOs and multinational organisations.

3.59 The second phase saw an increase in Australian funding with the ADF taking on an active reconstruction role in Uruzgan. Australia also increased the number of civilian personnel on the ground in Afghanistan including a small number of AFP officers and opened an embassy in Kabul.

3.60 In August 2010, Australia assumed leadership of the Uruzgan PRT which ushered in the beginning of the third phase. During this period there was a growing emphasis on training and mentoring with the aim of helping the Government of Afghanistan develop its capacity to take over responsibility for delivering basic services and maintain its own security.

3.61 Clearly, Australia has made a substantial effort to help Afghans rebuild their country. The main question before the committee, however, is the extent to which this assistance has been effective. Before the committee examines in detail the effectiveness of Australia's contribution to Afghanistan's recovery, it considers the major obstacles to delivering assistance to that country. In the following chapter, the committee looks at impediments to the effective provision of aid generated from within Afghanistan itself and then by the donor community.



Remoteness and insecurity are two of the many challenges for organisations seeking to deliver development assistance to Afghan communities.

Chapter 4

Challenges

4.1 A 2010 Afghanistan country level evaluation noted that while the volume of aid needs to increase to achieve development goals, the effectiveness of 'how' aid is delivered must also improve significantly.¹ Thus, with large amounts of development aid going to Afghanistan, it is imperative that the funds are directed to where they are most needed and to maximise the benefits to the Afghan people.

4.2 Before assessing Australia's contribution to the stabilisation and reconstruction of Afghanistan, the committee looks at the particular difficulties that donor countries, including Australia, face in their efforts to help the Afghan people rebuild their country and livelihoods. In this chapter, the committee considers the obstacles to delivering development assistance in Afghanistan in order to better appreciate what is needed to ensure that Australia's aid to that country is effective.

Impediments to aid effectiveness in Afghanistan

4.3 Afghanistan presents a most difficult, complex and challenging environment for those seeking to provide development assistance.² Some of these features, such as the country's terrain and climate, are fixed, others including social structures and behaviours can be changed or improved to help in the effective delivery of development assistance.

Physical impediments

4.4 The country's harsh physical environment makes it hard for donors to deliver aid effectively. The rugged terrain, severe climate of extreme aridity and cold and the poor state of the roads create challenges for those delivering assistance, especially to remote regions of the country.³ With four-fifths of the population living in rural and remote areas, the scope for economic development is limited. Destructive events, such as floods, droughts, earthquakes, avalanches, landslides and mudflows frustrate the efforts of many Afghans attempting to rebuild their country and of those helping them to recover from the devastation of war and natural disasters. For example, from 1 June

1 Ministry of Finance, Islamic Republic of Afghanistan, *Joint Evaluation of the Paris Declaration Phase 2: Islamic Republic of Afghanistan, 2010*, Baawar Consulting Group, p. 1.

2 See for example, Alex Thier, Assistant to the Administrator and Director of the Office of Afghanistan and Pakistan Affairs, U.S. Agency for International Development, The Brookings Institution, 'The State of Afghanistan', Washington, D.C., Tuesday, July 3, 2012; Asian Development Bank Afghanistan, Fact Sheet as of 31 December 2011.

3 Asian Development Bank, *Islamic Republic of Afghanistan, Country Assistance Program Evaluation*, Independent Evaluation CE-28, 2012-2013, p. 4. See also, CIA: The World Factbook—Afghanistan; UNICEF, Afghanistan, 'In remote Afghan mountains' http://www.unicef.org/infobycountry/afghanistan_55638.html (accessed 2 August 2012).

to 31 July 2012, the UN recorded 58 natural disasters in 57 districts, affecting 31,783 people, causing 116 deaths and destroying 2,046 homes.⁴

Magnitude of destruction and displacement

4.5 Not only does the physical environment create difficulties for rebuilding the nation, but the extent of devastation caused by years of civil war means that Afghans have a long and arduous road ahead if they are to lift themselves out of poverty and meet their basic needs. Indeed, Afghanistan is one of the world's least developed countries and the task of reconstruction was and remains formidable.⁵ As described earlier, the years of conflict and neglect left much of Afghanistan a devastated land.⁶ The loss of life, the sheer number of displaced persons, the widespread infrastructural damage, the substantial collapse of state institutions and civil structures and continuing insecurity which impedes development progress present clear evidence of the magnitude of effort required for recovery and reconstruction.⁷

Development needs

4.6 Moreover, development indicators including life expectancy, infant mortality and literacy rates are some of the worst in the world. Afghanistan has one of lowest life expectancy at birth of 48 years, though indicators suggest that this is improving.⁸ It has one of the highest maternal mortality rates in the world with 1 out of every 11 women dying from a complication related to pregnancy or childbirth.⁹

4.7 The situation is extremely poor for young children as Afghanistan had the second highest under-5 mortality rate in the world with around one in five children

4 United Nations, General Assembly, Security Council, A/67/354-S/20/12/703, 13 September 2012, paragraph 50.

5 See also, Islamic Republic of Afghanistan, Ministry of Finance, *Joint Evaluation of the Paris Declaration: Phase 2: Islamic Republic of Afghanistan, 2010*, Baawar Consulting Group, p. 1.

6 AusAID, *Annual Report 2010–2011*, p. 121.

7 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 78 and *Committee Hansard*, 4 December 2012, p. 51.

8 International Human Development Indicators—United Nations Development Programme, Afghanistan, 'Afghanistan Country profile', http://www.undp.org.af/undp/index.php?option=com_content&view=article&id=82&Itemid=68 (accessed 3 May 2013) and The World Bank, *Afghanistan in Transition: Looking Beyond 2014*, vol. 2: Main Report, May 2012, p. 12. It noted the dramatic improvements in life expectancy recorded by the Afghan Public Health Institute. See USAID et al, *Afghanistan Mortality Survey 2010*, Key Findings, p. 11.

9 http://www.unicef.org/infobycountry/afghanistan_statistics.html#93 (accessed 3 May 2013) http://www.undp.org.af/undp/index.php?option=com_content&view=article&id=82&Itemid=68 (accessed 3 May 2013). See also AusAID, *Afghanistan Annual Program Performance Report 2011*, July 2012, p. 6.

dying before they reached their fifth birthday.¹⁰ Although this rate has now fallen to 1 in 10, it remains one of the highest in the world.¹¹ The country also has high rates of stunting which is primarily caused by the mother's poor nutrition during pregnancy and recurring episodes of infectious diseases during a child's early life. Thirty-six per cent of the population live below the national poverty line with 'more than half vulnerable and at serious risk of falling into poverty'.¹² Forty-five per cent of Afghanistan's population of 26.59 million experience food poverty and almost three-quarters of the population are illiterate.¹³

4.8 Despite a decade of concerted effort by the Afghan Government together with the international donor community, Afghanistan still faces an enormous task if it is to improve the overall wellbeing of its people.

Aid dependency

4.9 Foreign aid is a major and vital contributor to Afghanistan's economic growth and development.¹⁴ Afghanistan is not only one of the world's largest aid recipients; it is also one of the most aid dependent.¹⁵ Moreover, a 2012 World Bank report noted that Afghanistan's aid dependency has 'soared since 2001'.¹⁶

4.10 According to Professor Stephen Howes and Mr Jonathan Pryke, Development Policy Centre, ANU, Afghanistan now 'receives much more aid than any other country in the world with a level of aid almost double (80 per cent more than) that of the next biggest aid recipient, the Democratic Republic of Congo'.¹⁷ The Asian Development Bank (ADB) suggested that the amount of aid going to Afghanistan is 'almost unique' with only a few smaller entities, such as Liberia and the West Bank

10 AusAID, *Annual Report 2009–2010*, p. 114 and Asian Development Bank, 'Asian Development Bank, Afghanistan, Fact sheet', as at 31 December 2011. USAID, 'Afghanistan Fact Sheet'. The UNICEF Fact sheet records under-5 mortality rate at 199 per 1,000 live births.

11 See for example, USAID et al, *Afghanistan Mortality Survey 2010*, Key Findings, p. 11. For 2010, UNICEF still recorded the under-five mortality rate at 149 per 1,000, http://www.unicef.org/infobycountry/afghanistan_statistics.html

12 Asian Development Bank, 'Asian Development Bank Afghanistan, Fact sheet', as at 31 December 2011; The World Bank, *Afghanistan in Transition: Looking Beyond 2014*, vol. 1: Overview, May 2012, p. iv; and *Submission 6*, p. [17].

13 USAID, 'Afghanistan Fact Sheet', The World Bank, *Afghanistan in Transition: Looking Beyond 2014*, vol. 1: Overview, May 2012, p. iv.

14 See for example, Professor Stephen Howes and Mr Jonathon Pryke, *Submission 14*, p. 5 and IMF, Program note, Islamic Republic of Afghanistan, last updated: July 12, 2012, <http://www.imf.org/external/np/country/notes/afghanistan.htm> (accessed 26 October 2012).

15 *Submission 14*, p. 5.

16 See for example, The World Bank, *Afghanistan in Transition: Looking Beyond 2014*, vol. 2, Main Report, May 2012, p. 9.

17 *Submission 14*, p. 4.

and Gaza, having on occasion received more aid per capita.¹⁸ It estimated that external support accounts for 82 per cent of total public spending—including central government and off-budget spending channelled directly to government line agencies.¹⁹ Civilian aid is estimated at more than \$6 billion a year, or nearly 40 per cent of GDP. Overall, in 2011–2012, bilateral donors committed US\$8.391 billion and multilateral donors US\$815 million.²⁰ OECD figures record that Afghanistan received US\$6.426 billion net ODA in 2010 and US\$6.711 billion in 2011.²¹

4.11 The Afghan Government recognises that reconstruction is not possible without 'the strong support' of the international community and despite developing its own national development strategy, lacks the ability to finance its development priorities with its limited resources.²²

4.12 A number of witnesses suggested that Afghanistan's reliance on foreign aid at this stage of its recovery should be seen as part of a necessary process to self-sufficiency. Mr John de Groot, Caritas Australia, viewed aid dependency in Afghanistan as 'an unsurprising reality given the level of devastation in the country at all sorts of levels and the sense of fear and disempowerment'.²³ Mr Peter Leahy, CARE Australia, also noted that dependency was to be expected for some period. He warned, however, of the need for Afghan institutions and their capacities to develop, which, according to Mr Leahy, have to be grown in part by the Afghans themselves:

We need to create spaces for that to occur, not smother it by trying to go in and do everything on their behalf.²⁴

4.13 Thus, Afghanistan's dependence on external assistance to deliver even basic services creates particular challenges for the donor community—providing much needed assistance but avoiding the trap of encouraging or supporting aid dependency.

Capacity constraints

4.14 Severe capacity constraints, including low levels of education and a chronic shortage of qualified personnel, frustrate the Afghan Government's attempts to deliver front-line services and underscore the extent of the country's dependence on external

18 Asian Development Bank, 'Asian Development Bank, Afghanistan, Fact sheet', as at 31 December 2011 and The World Bank, *Afghanistan in Transition: Looking Beyond 2014*, vol. 1: Overview, May 2012, p. iv.

19 Asian Development Bank, *Islamic Republic of Afghanistan*, Country Assistance Program Evaluation, Independent Evaluation CE–28, 2012–13, paragraph 169.

20 Islamic Republic of Afghanistan, Central Statistics Organization, *Afghanistan Statistical Yearbook 2011–12*, Issue No. 33, July 2012, pp. 255 and 256.

21 <http://www.oecd.org/dac/stats/AFG.gif> (accessed 1 March 2013).

22 Islamic Republic of Afghanistan, Central Statistics Organization, *Afghanistan Statistical Yearbook 2011–12*, Issue No. 33, July 2012, p. 255 and Ministry of Finance, Islamic Republic of Afghanistan, *Joint Evaluation of the Paris Declaration Phase 2: Islamic Republic of Afghanistan, 2010*, p. 7.

23 *Committee Hansard*, 4 December 2012, p. 51.

24 *Committee Hansard*, 4 December 2012, p. 38.

assistance.²⁵ Severely weakened institutional infrastructure and administrative systems combine with widespread illiteracy and a diminished knowledge base to further undermine the government's capacity to function effectively and absorb development finances. Even with the large amounts of assistance, Afghanistan is struggling to restore its bureaucratic structures and to find trained and suitable staff to administer public programs.²⁶

Provincial and district level

4.15 All levels of government, national, provincial and district administrations, suffer from a want of capable and skilled personnel.²⁷ For example, the 2012 TLO Profile reported that, after ten years of state building, Afghanistan's formal justice institutions remained weak, including in Uruzgan.²⁸ Based on a small survey of government officials in Tarin Kowt, the TLO found all the sampled departments, except the Department of Public Health, reported a lack of essential staff.²⁹ AusAID also noted that illiteracy was common amongst provincial officials in Uruzgan and that their ranks were severely depleted.³⁰

Private sector and civil society

4.16 The private sector has not been spared the damaging effects of decades of conflict and instability and must also rebuild if it is to help the economy recover, generate jobs and lift living standards. AusAID's Minister Counsellor at the Australian Embassy in Kabul, Mr Paul Lehmann, observed that while there had been progress in reviving the private sector, it had been incremental and driven largely by the economic activity associated with the security infrastructure and the presence of military and development missions.³¹ Afghanistan's civil society, including its local community groups and NGOs, which also have an important role in delivering development assistance, similarly suffer from a lack of qualified personnel and weak institutional structures. Building capacity in Afghanistan's public and private sectors is vital to the effective delivery of aid but will take time.

25 See for example, AusAID, *Submission 16*, p. 8; Caritas Australia, *Submission 10*, p. 4 and ADB, *Islamic Republic of Afghanistan, Country Assistance Program Evaluation, Independent Evaluation CE-28, 2012-2013*, paragraph 144.

26 Ministry of Finance, Islamic Republic of Afghanistan, *Joint Evaluation of the Paris Declaration Phase 2: Islamic Republic of Afghanistan, 2010*, p. 7.

27 See for example, Mr Scott Dawson, *Committee Hansard*, 3 December 2012, p. 2.

28 See also TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 101.

29 See also TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 78.

30 *Committee Hansard*, 3 December 2012, p. 2.

31 *Committee Hansard*, 3 December 2012, pp. 12-13.

Corruption

4.17 Perceptions of corruption in Afghanistan may influence the attitudes of donor countries and counter the effectiveness of their aid.³² Transparency International's corruption perception index for 2011, which measures the perceived level of public sector corruption, rated Afghanistan as one of the world's worst performing countries placing it 180 out of 183 countries. It shared this position with Myanmar ahead of only North Korea and Somalia, which were perceived as the most corrupt.³³ Worryingly, in 2012 Afghanistan slipped to the last place of 174th with a score of 8 out of 100 and sharing this position with North Korea and Somalia.³⁴

4.18 There are sound reasons for Afghanistan's poor ranking. A report by the United Nations Office on Drugs and Crime indicated that corruption is both wide and deep throughout the whole public sector in Afghanistan including key government institutions such as law enforcement as well as local authorities and service providers.³⁵ Moreover, Afghans themselves recognise that corruption, nepotism within institutions and warlordism in some parts of Afghanistan damage the authority of institutions and impede economic development. A policy note from the Afghanistan Research and Evaluation Unit, stated bluntly that most delivery processes were 'plagued by high levels of corruption'.³⁶

4.19 While acknowledging the improving levels of skills in the local police and military, an ACFID study cited corruption in the ANA and ANP as a primary problem.³⁷ According to the study's author, Mr Phil Sparrow, provincial coverage and lack of data on how many personnel there are in the ANA or ANP undermines

32 See for example, Ministry of Finance, Islamic Republic of Afghanistan, *Joint Evaluation of the Paris Declaration Phase 2: Islamic Republic of Afghanistan, 2010*, p. 7 and the Asia Foundation, *Afghanistan in 2012, A Survey of the Afghan People*, 2012, p. 107.

33 Transparency International, *Corruption Perceptions Index 2011*.

34 Transparency International, *Corruption Perceptions Index 2012*, http://issuu.com/transparencyinternational/docs/cpi_2012_report/5 (accessed 14 February 2013).

35 United Nations Office on Drugs and Crime, *Corruption in Afghanistan: Bribery as reported by the victims*, January 2010, p. 35.

36 Afghanistan Research and Evaluation Unit, *Afghanistan Looking Ahead: Challenges for Governance and Community Welfare*, Research Briefs for the 2011 Bonn Conference, p. 4. See also The Asia Foundation, *Afghanistan in 2012, A Survey of the Afghan People*, 2012, p. 8. Another report, an Oxfam study, revealed that just less than one half of all individuals surveyed (48%) identified corruption and ineffectiveness of the Afghan government as a major cause of conflict in Afghanistan. Ashley Jackson, *The Cost of War, Afghan Experiences of Conflict, 1978–2009*, Oxfam, 2009, p. 4. The research for this publication was jointly designed and/or carried out by a number of aid organisations including Afghan Civil Society Forum, Afghan Peace and Democracy ACT, Association for the Defence of Women's Rights et al.

37 Phil Sparrow, *In it for the long haul? Delivering Australian aid to Afghanistan*, ACFID Research in Development Series Report no. 1, March 2011, p. 16.

transparency and accountability. For example, he noted that the official number of police in Uruzgan was 1,319, but approximately 1,650 were paid.³⁸

4.20 The recent *Afghan People's Dialogue on Peace* found that people from all parts of the country expressed their anger consistently at the level of corruption, which they believed denied them critical infrastructure and services. It stated that people cited corruption among public officials as the main reason for the lack of progress and the poverty of many Afghans.³⁹ A 2012 survey of the Afghan people similarly found that the majority of Afghans thought that corruption was 'a major problem in all facets of life and at all levels of government'. It concluded:

Perceptions that corruption is a major problem in Afghanistan as a whole and at the provincial level are at their highest points since 2006, and perceptions that corruption is a major problem at the level of local authorities and the neighbourhood, too, have been steadily rising.⁴⁰

4.21 Afghanistan's President Hamid Karzai acknowledges that corruption is 'a menace that has undermined the effectiveness, cohesion and legitimacy' of Afghan institutions.⁴¹

4.22 As a donor country committed to working with the Afghan Government, this long-standing problem of corruption is particularly significant for Australia. Witnesses to the committee's inquiry also raised concerns about the level and type of corruption existing in Afghanistan. For example, Professor William Maley, who has published extensively on Afghanistan, noted that providing aid may have the unintended consequence of 'fuelling corruption'.⁴² He explained that this situation could arise all too easily in Afghanistan:

...where substantial aid monies flowing into a complex bureaucratic environment set the scene for the payment of bribes by contractors and sub-contractors as a means of lubricating the process of policy implementation.⁴³

38 Phil Sparrow, *In it for the long haul? Delivering Australian aid to Afghanistan*, ACFID Research in Development Series Report no. 1, March 2011, p. 16.

39 *Afghan People's Dialogue on Peace, 'Laying the Foundations for an Inclusive Peace Process'*, December 2011, p. 9. Thirteen civil society organisations/networks and the Afghan Independent Human Rights Commission oversee and sponsor the public discussions recorded in this dialogue.

40 The Asia Foundation, *Afghanistan in 2012: A survey of the Afghan People*, 2012, p. 8.

41 Statement, His Excellency Hamid Karzai, President of the Islamic Republic of Afghanistan, 'Tokyo Development Cooperation Conference on Afghanistan', Tokyo, Japan, 8 July 2012.

42 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 88. Professor Howes suggested that corruption seemed to be rampant on the investment side of things often through contractors and subcontractors where side payments are made. *Committee Hansard*, 4 December 2012, p. 15.

43 *Submission 4*, paragraph 4.2.

4.23 Recognising the prevalence of corruption in the government, Dr Nematullah Bizhan, a research scholar at the Australian National University, was particularly concerned about the inefficient use of funds channelled to projects outside the government system and their greater susceptibility to corruption. He explained:

...massive corruption has been reported through off-budget mechanisms because there is no proper reporting and monitoring in place.⁴⁴

4.24 Notably, Uruzgan is recognised as having high levels of corruption, which is particularly relevant for Australia with its considerable involvement in the province.⁴⁵ For example, the 2009 TLO report on government capacity in Uruzgan referred to widespread incompetence and corruption, weak capacity and significant lack of reach.⁴⁶ Three years later, the 2012 TLO Provincial Profile of Uruzgan reported that corruption remained endemic throughout government:

Most NGOs saw government corruption or bribes demanded from powerbrokers as one of the single largest sources of waste in the sector. One local NGO representative openly admitted to bribing government officials to ensure monitoring of their projects was actually conducted. The representative, echoing numerous other interviews, alleged that bribery is widespread in the province and that organizations often have no choice if they want to continue to operate and access full government support, or not be disrupted by local power politics. 'Corruption is like a virus', he noted, 'everyone is affected'.⁴⁷

4.25 AusAID acknowledged that 'corruption compounds the capacity constraints that already exist'.⁴⁸ Clearly, donor countries such as Australia must find ways to counter the negative effect that corruption can have on the effectiveness of their aid.

Centralised government, loyalties and alliances

4.26 The highly centralised nature of public administration in Afghanistan with weak links to remote provincial and district government institutions also impedes the effective delivery of aid. In Professor Maley's view, the highly centralised state with its presidential system presented a 'most significant problem'. He noted:

The Afghan state is diversified in the sense that there are provincial governors and then there are people known as wuleswals, who are sometimes called district governors but they are more administrators. These are not people who have come from local communities. They are centrally appointed from Kabul through what is called the Independent Directorate of

44 *Committee Hansard*, 4 December 2012, p. 23.

45 See for example, Lydia Khalil, *Submission 20*, p. [2].

46 Referred to in Phil Sparrow, *In it for the long haul? Delivering Australian aid to Afghanistan*, ACFID Research in Development Series Report no. 1, March 2011, p. 16.

47 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, pp. xii and 41.

48 *Submission 16*, p. 9.

Local Governance. They are creatures of the central state in districts, rather than legitimate local actors.⁴⁹

4.27 Professor Maley also observed that the centrally appointed officials had little interest in building organic relations with the local population and, if they did, were more likely to pursue future political agendas than ensure that development projects were implemented effectively.⁵⁰ He noted further that the requirement to refer matters to Kabul for decisions on a wide range of personnel and financial issues has had a 'profoundly stultifying effect' on administration. In his view, this level of central control was one of the reasons for a large amount of aid entering Afghanistan, estimated at 77 per cent between 2002 and 2009, bypassing the state altogether and going directly to UN agencies, NGOs or private contractors.⁵¹

4.28 According to Professor Maley, this system of administration creates real difficulty in matching the needs of the local population with what the officials may be attempting to do. He explained that this disconnect may occur because there is no requirement for officials, even at the local level, to engage or consult with those who are to be assisted through aid projects.⁵²

4.29 Mr Pallassana Vaidyanatha Sarma Krishnan, Country Director, Afghanistan, ActionAid, likewise noted that most aid programs were centred in the capital and support did not percolate down to communities on the ground.⁵³ He argued that, unless there was a strong connection between the local people and the national level, development gains could not be sustained. He stated:

This sustainment can happen only when it is rooted in the grassroots and the ownership happens at the grassroots level, not at the top level. So we surely do not advocate a top-heavy approach or a top-down approach; it has to be a bottom-up approach and development.⁵⁴

4.30 Dr Bizhan made a similar observation about the extremely centralised government in Afghanistan, noting that even for minor matters approval was required from Kabul, where most public servants were located. In his view, the government was in a dysfunctional state and the degree of central control was a major constraint

49 *Committee Hansard*, 4 December 2012, p. 6.

50 *Submission 4*, p. [2].

51 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 83. According to Professor Maley, donors bypass the Afghan state altogether and seek to deal with local communities as a way of short-circuiting the complexities that arise if one has to get approval from central ministries in Kabul before one can implement a local project. *Committee Hansard*, 4 December 2012, p. 6.

52 *Committee Hansard*, 4 December 2012, p. 6.

53 *Committee Hansard*, 4 December 2012, p. 58.

54 *Committee Hansard*, 4 December 2012, p. 58.

and challenge in Afghanistan.⁵⁵ He also observed that the President appointed the governors.⁵⁶

Security

4.31 Security remains critical to the effective delivery of aid. Since 2005–2006, however, a resurgent Taliban have continued to sabotage efforts to stabilize the country and keep it on the path to recovery.⁵⁷ In 2007, the UN Secretary-General spoke of 'an insurgency emboldened by their strategic successes, rather than disheartened by tactical failures'.⁵⁸ Indeed, the former Australian Chief of the Defence Force looked back on 2006 as the year when the Taliban gathered strength. He stated:

The Taliban were chased out of Afghanistan in very short order in 2001–02. NATO were then given the job of stabilising Afghanistan and for two or three years they conducted a stabilisation operation in various parts of Afghanistan. The Taliban were not very active. There was the odd attack but not many and then in 2006 we started to see the Taliban insurgency gain momentum. It has gained momentum each year since and what we have seen each year is a marked increase in the number of violent incidents.⁵⁹

4.32 Although ISAF has expanded its areas of operation into southern and eastern parts of Afghanistan and Member States continue to contribute personnel, equipment and other resources toward making Afghanistan a safe place, the insurgency has remained stubbornly resilient.⁶⁰ Conflict and the continuing hostilities are critical barriers to the effective delivery of aid. The broader insurgency environment is complicated by local power plays and patronage networks.

Local patronage network

4.33 The donor community must also work in a country that is divided into numerous ethnic groups including Pashtuns, Tajiks, Hazaras and Uzbeks and in communities where a web of informal power relations can exert considerable influence outside the central government. History shows that these informal power structures and deeply entrenched patronage links based on ethnic or tribal alliances or

55 *Committee Hansard*, 4 December 2012, p. 26.

56 *Committee Hansard*, 4 December 2012, p. 26.

57 See for example, United Nations and General Assembly, Security Council, A/61/799–S/2007/152, Report of the Secretary-General, 15 March 2007, paragraph 3.

58 See for example, United Nations, General Assembly, Security Council, A/61/799–S/2007/152, Report of the Secretary-General, 15 March 2007, paragraphs 2–10.

59 Air Chief Marshal Angus G Houston, Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 21 October 2009, p. 47.

60 United Nations, Security Council, S/2008/434, Special Report of the Secretary-General, 3 July 2008, paragraphs 5–6. The Security Council continued to urge Member States to contribute personnel, equipment and other resources to ISAF. United Nations, Security Council, S/RES/1833 (2008), 22 September 2008. See also, United Nations, General Assembly, Security Council, A/65/873–S/2011/381, Report of the Secretary-General, 23 June 2011 and United Nations, Security Council, S/RES/2011 (2011), 12 October 2011.

around former mujahedeen commanders have been important in shaping Afghan political, social and economic dynamics.⁶¹ Evidence strongly suggests that these networks continue to play into every facet of Afghan society and donors cannot ignore their presence or influence.

4.34 For example, the 2010 TLO report noted that the continuing tensions between pro-government strongmen, former Taliban and marginalised tribal leaders combined with tribal/community divisions over power and leadership to create a very complex political dynamic. In this environment, parties to the conflict opted to align either with the government or the insurgency.⁶² According to the more recent 2012 TLO report, it was important to appreciate that existing tribal and ethnic divisions were often stoked or exploited by local powerbrokers in order to expand their personal power.⁶³ These inter-tribal and inter-ethnic clashes, which often centred on the disputes of prominent strongmen, remained a source of instability that sometimes overlapped into the broader conflict between the government and insurgency.⁶⁴ Professor Maley pointed out that aid activities are politically sensitive because they can 'create losers as well as winners'.⁶⁵

4.35 There are numerous other domestic influences that create difficulties for the effective delivery of aid to Afghanistan including the country's dependency on opium production and discrimination against women and girls. (They are discussed in detail in Part III of the report.) Generally, the numerous domestic obstacles to the effective delivery of aid combine or feed into one another to compound the task of providing assistance. Overall, AusAID recognised that the risks of working in Afghanistan were high and that a range of factors constrained development efforts.⁶⁶ It noted:

Corruption, insecurity and low government capacity all pose serious challenges to the design, delivery and monitoring of aid activities.⁶⁷

4.36 DFAT similarly acknowledged that Afghanistan would be 'beset by security, governance and development challenges for decades to come'.⁶⁸

61 The 2012 TLO report concluded that 'The continued influence of patronage networks is an obstacle that inhibits progress in the governance sector, with many tribes and minority communities facing discrimination and exclusion'. TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. xiii.

62 TLO, *The Dutch Engagement in Uruzgan: 2006 to 2010*, August 2010, p. 49.

63 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 6.

64 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. xiii.

65 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 84.

66 *Submission 20*, p. [2].

67 AusAID, *Australia's strategic approach to aid in Afghanistan 2010–2012*, December 2010, p. 17.

Summary

4.37 Afghanistan presents a most difficult and challenging environment in which to deliver aid. The committee has referred to the physical features of the country—the remoteness of some areas and the prevalence of natural disasters such as drought and landslides. It has noted the sheer magnitude of the development problems, the lack of infrastructure, capacity constraints within government to deliver services including at the sub-national level, corruption and insecurity.⁶⁹

4.38 Whereas Afghanistan itself presents considerable impediments to the effective delivery of development assistance, the actions of international donors may also lead to inefficiencies when providing aid. In the following section, the committee looks at the behaviours of international donors that can lead to funds being wasted, misdirected, poorly targeted, or of limited benefit and at the internationally accepted principles intended to counter such activities.

Achieving aid effectiveness

4.39 While sections of the Afghanistan population call on the international community for more aid they are also asking for 'more effective aid for humanitarian, reconstruction and development activities throughout the country'.⁷⁰ They want overseas donors not only to commit more aid but to deliver aid more effectively.⁷¹ A study sponsored by a number of NGOs found that:

Many individuals felt that though much had been promised to the Afghan people, little had actually been delivered—creating frustration and disillusionment and ultimately undermining stability. In particular individuals called for better measures to ensure that economic development and aid reach those who need it the most.⁷²

4.40 Indeed in 2009, the UN Secretary-General welcomed the surge in attention and resources that Afghanistan had received in recent months. He added, however, that the lessons to be drawn from the past seven years demonstrated that increased aid of itself would not suffice: that resources must be used 'intelligently, according to a

68 *Submission 22*, p. 1. See also Lydia Khalil who cited reports indicating that insecurity, poor governance capacity and corruption constrain development efforts across Afghanistan. *Submission 20*, p. [2].

69 See for example, United Nations, General Assembly, Security Council, A/63/751–A/2009/135, 10 March 2009, paragraphs 45–47.

70 See for example, Ashley Jackson, *The Cost of War, Afghan Experiences of Conflict, 1978–2009*, Oxfam, 2009, p. 5. The research for this publication was jointly designed and/or carried out by a number of aid organisations including Afghan Civil Society Forum, Afghan Peace and Democracy, Association for the Defence of Women's Rights et al.

71 Ashley Jackson, *The Cost of War, Afghan Experiences of Conflict, 1978–2009*, Oxfam, 2009, p. 28.

72 Ashley Jackson, *The Cost of War, Afghan Experiences of Conflict, 1978–2009*, Oxfam, 2009, p. 28.

coordinated and comprehensive plan' with the aim of enabling all Afghans to bear responsibility for their future.⁷³

4.41 In this regard, the international community has long been interested in increasing the effectiveness of aid delivered to Afghanistan. Since 2002, numerous international conferences have endeavoured to identify ways for the improved delivery of aid and for the international community to commit to adopting these practices. Although not part of this series of conferences, the Paris Declaration in 2005 stands out as a major landmark for international development assistance, which influenced the thinking at the subsequent meetings on Afghanistan. As noted in the previous chapter, the 2005 Paris Declaration enunciates five fundamental principles underpinning aid effectiveness to which donor countries are expected to adhere—ownership by partner country; alignment and harmonisation of aid; managing aid for results; and mutual accountability.⁷⁴

4.42 Consistent with these principles, the numerous international conferences on Afghanistan have from the beginning placed a heavy emphasis on Afghanistan's ownership of aid projects, aligning projects with the government's priorities as set down in the ANDS, avoiding parallel structures, better coordination between donors and improved transparency and accountability.⁷⁵ The committee now looks in greater depth at the extent to which these principles apply in Afghanistan.

Ownership

4.43 The importance of donors channelling a substantial proportion of aid through Afghanistan's national budget was a constant refrain coming out of the international conferences. By using its systems, the Afghan government would have ownership over development assistance—a key principle of aid effectiveness.

4.44 Evidence indicated, however, that one of the main causes of the ineffectiveness of aid to Afghanistan stemmed from funding that operated outside the national government system.⁷⁶ A Ministry of Finance joint evaluation found that many donors, without properly consulting with the Afghan Government, continued to invest in programs designed and implemented directly by the donor country and delivered by their contracted agencies. According to the evaluation, because the government has no control over the financing or accountability of these donor-driven programs, Afghan ownership of such programs, comprising close to 80 per cent of Afghanistan's development budget, is yet to be established.⁷⁷

73 United Nations, General Assembly, Security Council, Report of the Secretary-General, A/63/751–A/2009/135, 10 March 2009, paragraph 6.

74 *The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action*, 2005 and 2008 respectively.

75 See observations made on the Paris 2008 Compact, the 2010 London and Kabul conferences, paragraphs 3.11–3.17.

76 See for example, Dr Nematullah Bizhan, *Committee Hansard*, 4 December 2012, p. 23.

77 Ministry of Finance, *Joint Evaluation of the Paris Declaration Phase 2: Islamic Republic of Afghanistan*, 2012, p. 16.

4.45 Witnesses also drew attention to the high proportion of international assistance to Afghanistan channelled through off-budget mechanisms, which bypassed the state mechanisms. Dr Bizhan indicated that some donors were directly funding projects without proper consultation with the government or local communities. Within that context, he identified a couple of challenges that emerge, including the sustainability of those projects. He noted clinics and schools that were built, but with no teachers or nurses or doctors to sustain their use and local demands on the government to provide funds to maintain the facilities but without the resources to do so.⁷⁸

Community ownership

4.46 Community involvement in decision-making and the implementation of development projects is also an important component of ownership, critical to aid effectiveness. Mr Rahatullah Naeem, Afghan Development Association, noted that by using local partners, donors can develop the community's capacity and implement programs efficiently and effectively as compared to other approaches. He observed that by engaging local people, the communities feel ownership in the development activities and, therefore, 'provide full security and protection to the staff and programs'.⁷⁹

4.47 Mr James McMurchy also referred to well-intentioned aid that, because of lack of consultation with the local community, has led to inappropriately designed or located projects or even development assistance that has caused local family or tribal disputes over land and water rights.⁸⁰ Mr Krishnan, ActionAid, noted that the current development priorities for Afghanistan by the donors miss one very vital component: 'the community empowerment link'.⁸¹ He argued:

There needs to be community involvement, community ownership and community participation, otherwise development remains as structures only.⁸²

4.48 He suggested that this lack of community engagement in Afghanistan was why schools were built but with no children in them; hospitals opened but nobody uses them; and roads constructed but no one is able to travel between provinces. In his view, 'It is simply because the community is not yet accepting of or involved in this progress that that is happening in the country'.⁸³ He informed the committee the donors need to reach out to more communities and 'to ensure that people, civil society

78 *Committee Hansard*, 4 December 2012, p. 23.

79 *Submission 5*, p. 1.

80 *Submission 18*, p. [2].

81 *Committee Hansard*, 4 December 2012, p. 56.

82 *Committee Hansard*, 4 December 2012, p. 56.

83 *Committee Hansard*, 4 December 2012, p. 56.

and other stakeholders are each equally informed and involved in the development work in Afghanistan'.⁸⁴

Alignment and matching priorities

4.49 The Paris Declaration recognised the importance of aligning aid with the priorities of the recipient country. A number of witnesses were concerned that aid projects did not support the priorities of Afghanistan and local communities. A number of reports indicated that the stated goals and objectives of various aid agencies, donor governments and the Afghan Government do not align. For example, the Office of the United Nations Population Fund in Afghanistan reported on the 'need for better alignment of efforts and resources of all government and non-government, Afghan and international partners'. It noted that 'a unified vision dictates combined efforts, resulting in peace and development in the country.'⁸⁵ An Oxfam study referred to this mismatch between the work of donors and Afghanistan's needs. It stated:

The emphasis of many donors' strategies on quick impact projects and the use of expensive consultants must be reevaluated and redirected to meet Afghan needs, particularly the creation of income generation opportunities, and address the underlying causes of poverty.⁸⁶

4.50 According to one witness, the misalignment of a donor's stated objectives with those of the Afghan government was 'certainly the case with Australian assistance'.⁸⁷

Coordination

4.51 Many donors contribute to development in Afghanistan. The Paris Declaration highlights the importance of harmonisation and ensuring that aid projects complement each other. With regard to Afghanistan, an Oxfam study noted that:

The lack of coordination and overall effectiveness of aid is a complex problem, but one that must be urgently addressed as it has undermined reconstruction efforts and created mistrust among many Afghans.⁸⁸

4.52 Dr Bizhan also cited the problem of coordination, notably with funding that does not go through the Afghan Government.⁸⁹

Managing for results

4.53 While acknowledging improvements in Afghanistan, an Oxfam study found that not only had the volume of aid to Afghanistan been insufficient but much of it had

84 *Committee Hansard*, 4 December 2012, p. 56.

85 UNFPA Afghanistan, *Annual Report 2010–2011*, p. 5.

86 See for example, Ashley Jackson, *The Cost of War, Afghan Experiences of Conflict, 1978–2009*, Oxfam, 2009, p. 29.

87 Ms Lydia Khalil, *Submission 20*, p. [2].

88 See for example, Ashley Jackson, *The Cost of War, Afghan Experiences of Conflict, 1978–2009*, Oxfam, 2009, p. 28.

89 *Committee Hansard*, 4 December 2012, p. 23.

been delivered in ineffective or wasteful ways. It stated that 'nearly 40% of all aid since 2001 has returned to donor countries in the form of profits or remuneration', with a large share of aid failing to reach the poorest in Afghanistan.⁹⁰

4.54 Afghans were also of the view that aid does not always reach its intended beneficiaries. A majority of participants in the 2011 *Afghan People's Dialogue on Peace* reported that despite some clear improvements, achievements had 'not been equal to the billions of dollars in donor aid that has been spent in the last ten years'. The Dialogue found:

Men and women all over the country stressed that progress should not be measured in terms of the quantity of services, such as the number of schools and hospitals built, but should also be based on the quality of these critical services, which many people said was far from satisfactory.⁹¹

4.55 The 2012 TLO Report on Uruzgan noted that regardless of the underlying reasons, community members and NGO representatives continuously cited 'waste, dependency, tribal rivalries, and the lack of management oversight as chronic issues hampering infrastructure development'.⁹² It noted local frustration and disappointment with assistance due to:

- high salaries of foreign contractors and development personnel, especially when project implementation is substandard;
- preference for large development contractors which translated into ever-increasing number of sub-contractors, with funds disappearing into each new sub-contract;
- staff recruited from other areas—a long-standing grievance, though NGOs indicated that they try to hire locally but there are simply not enough Uruzganis available with the required skill sets; and
- failure to match facility construction with adequate management capacity and to consider sustainability including sequencing (for example, the sewage treatment plant built on the outskirts of Tarin Kowt, which although described as 'beautifully constructed' was not operational because of the lack of adequately trained local staff to manage the facility).⁹³

90 Ashley Jackson, *The Cost of War, Afghan Experiences of Conflict, 1978–2009*, Oxfam, 2009, p. 14.

91 *Afghan People's Dialogue on Peace, 'Laying the Foundations for an Inclusive Peace Process'*, December 2011, p. 8.

92 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 40.

93 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, pp. 40–42.

4.56 The report also cited respondents concerns about waste or inefficiencies due to the need to provide security to guard against insurgent attacks, looting of construction sites and, as mentioned before, corruption.⁹⁴

4.57 Witnesses supported this view of failing to manage for results. Professor Maley cited reports from many parts of Afghanistan of unsettling complaints that aid monies were being 'wastefully pumped' into conflict zones, leaving residents of the more stable areas of Afghanistan frustrated onlookers.⁹⁵ He also referred to the leakage of funds due to a reliance on contractors, which he regarded as one of the most serious problems, and drew attention to the way in which funds:

...nominally hypothecated for the benefit of Afghans have ended up going to consultants who have not necessarily added an enormous amount of value but have charged significant prices for what it is that they have done for Afghanistan.⁹⁶

4.58 The suggestion is that 'money ends up in bank accounts in Washington DC, in Paris, in Berlin and or in London, in places like that, rather than in Afghanistan itself'.⁹⁷ An independent journalist who visited Afghanistan in 2012, Mr Antony Loewenstein, was similarly concerned about the over reliance on foreign workers at the expense of local interests and the leakage of funds whereby contracts were awarded to NGOs. He argued that:

...often the vast bulk of that money does not go to the local people. It is going to foreign contractors who are taking the money out of the country. In other words, local groups are not being empowered.⁹⁸

4.59 Consistent with this perception, Dr Bizhan observed that much of the international spending had been spent outside the country or has left the country through imports, expatriated profits and outward remittances.⁹⁹ He referred to a report prepared jointly by a concerned group of donors, international and local organisations in Afghanistan. It found that money directed off budget was going to persons who were leaving the country, toward ex-patriots' salaries and for conditions attached to foreign aid. Dr Bizhan cited the reported observations of a former finance minister, Dr Ashraf Ghani, who indicated that 'for \$1 of foreign aid which donors spend in Afghanistan, only 10 per cent goes to real beneficiaries'. He explained:

The big international companies get a contract and then they subcontract that—and there is a huge amount of subcontracting—so in each transaction

94 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 41.

95 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 77.

96 *Committee Hansard*, 4 December 2012, p. 7.

97 *Committee Hansard*, 4 December 2012, p. 7.

98 *Committee Hansard*, 4 December 2012, p. 30.

99 *Submission 13*, p. 7.

they deduct a certain amount of money for overhead costs. So finally, the real amount of money decreases so that a very small amount of it goes to real beneficiaries.¹⁰⁰

4.60 Generally, the factors working against effective aid are linked and combine to make the task even more difficult. A recent World Bank report noted that although the large aid flows had benefitted Afghanistan, it had also brought problems tied to corruption, fragmented and parallel delivery systems, poor aid effectiveness, and weakened governance.¹⁰¹ Based on her research, Ms Lydia Khalil noted that while the ravages of decades of war had left a legacy difficult to overcome, the mismanagement of development assistance, the misalignment of priorities, waste and corruption were serious and endemic problems.¹⁰² Referring to an International Crisis Group report, she noted:

Poor planning and oversight have affected projects' effectiveness and sustainability, with local authorities lacking the means to keep projects running, layers of subcontractors reducing the amounts that reach the ground and aid delivery further undermined by corruption in Kabul and bribes paid to insurgent groups to ensure security for development projects.¹⁰³

4.61 Professor Howes and Mr Pryke noted that the slow pace of reconstruction, poor project design, perceptions of corruption, and lack of local ownership undermined positive perceptions of aid. For example, they cited Uruzgan, as a province producing ample evidence of the destabilising effects of aid projects. According to their research, aid was perceived 'to be poorly distributed, highly corrupt and benefitting mainly the dominant powerholders'.¹⁰⁴

4.62 Donors also cited factors such as staff turnaround that interferes with the effective delivery of aid. For example, the USAID Mission to Afghanistan has experienced high staff turnover coupled with multi rest and recuperation breaks which limited the development of expertise, contributed to a lack of continuity and overall hindered program oversight.¹⁰⁵

100 *Committee Hansard*, 4 December 2012, p. 23.

101 The World Bank, *Afghanistan in Transition: Looking Beyond 2014*, vol. 1: Overview, May 2012, p. 1.

102 *Submission 20*, p. [1].

103 *Submission 20*, p. [2]. For quote see International Crisis Group, *Aid and Conflict in Afghanistan*, Asia Report no. 210, 4 August 2011, p. i, [http://www.crisisgroup.org/~media/Files/asia/south-asia/afghanistan/210-%20Aid%20and%20Conflict%20in%20Afghanistan.pdf](http://www.crisisgroup.org/~/media/Files/asia/south-asia/afghanistan/210-%20Aid%20and%20Conflict%20in%20Afghanistan.pdf).

104 *Submission 14*, pp. 17–18.

105 United States Government Accountability Office, Testimony before the Subcommittee on Oversight and Investigations, Committee on Foreign Affairs, House of Representatives, *Afghanistan USAID Oversight of Assistance Funds and Programs*, p. 8.

Conclusion

4.63 The challenges confronting Afghanistan are formidable and the constraints on delivering aid—insecurity, political instability, perceptions of corruption, capacity weaknesses—make the task of ensuring that aid is effective far more difficult. As part of the donor community, Australia must contend with the range of domestic circumstances in Afghanistan that have the potential to undermine the effectiveness of its aid to that country.

4.64 The committee also drew attention to a number of major criticisms levelled at the international donor community that undermines the effectiveness of aid. They include poor coordination between donors and funding that operates outside the national system, which does not promote Afghan ownership or align priorities with those of the Afghan Government or local communities. There were also concerns that aid could be wasted due to factors such as the use of contractors and sub-contractors; the leakage of funds through imports, expatriated profits and outward remittances or projects simply not taking account of the running costs of sustaining a project. In this regard, it is important for Australia to consider its own policies on development assistance to Afghanistan and their implementation to ensure that maximum benefit is achieved.

4.65 In the following part of this report, the committee examines Australia's performance when it comes to the effectiveness of its aid.

Part II

The effectiveness of Australia's development assistance to Afghanistan

The committee recognises that the need for assistance in Afghanistan remains great after decades of violence, civil strife and political instability that has ruined lives, homes, properties, economic infrastructure and government and private institutions; displaced a large proportion of the population and entrenched poverty. The task of rebuilding the nation and lifting living standards is not only formidable, but a number of significant obstacles make the challenge even more daunting. They include the lack of human capacity; centralised government with weak links to sub-national levels of administration; institutionalized corruption; continuing insecurity; deep-seated gender inequality; and the large number and diverse nature of aid donors with their own priorities.

Since 2001, the international community and the Government of Afghanistan have been working together to help rebuild the country. Numerous conferences have called on the international community to abide by some fundamental principles to guide donors. The foundation document is the Paris Declaration followed by the Afghan compact.

In this part of the report, the committee looks closely at how Australia delivers its aid to Afghanistan. It assesses how well Australia's ODA manages the difficulties generated within Afghanistan. In addition, the committee considers the extent to which Australian ODA adheres to the guiding principles set down in the Paris Declaration of 2005, and reflected in the Afghanistan compact of 2006 and the agreements reached at subsequent international conferences on Afghanistan. They include the 2008 Paris and 2010 London and Kabul meetings. The committee uses the five broad principles spelt out in the 2005 Paris Declaration as a guide to assessing Australia's performance—ownership by Afghanistan, alignment with Afghanistan's national development priorities, harmonisation of assistance so Australia's aid complements the work of others, managing for results and mutual accountability.

The committee considers aid that is delivered through Afghanistan's national budget using the Afghanistan Reconstruction Trust Fund, through multinationals and NGOs and the development assistance that Australia provides more directly to Uruzgan province.

Chapter 5

Afghanistan's national budget

5.1 Since 2000, Australia has provided over \$710 million (to June 2012) in ODA to Afghanistan, which is expected to rise significantly to \$250 million per annum by 2015–2016. In 2011–12, Afghanistan received the fourth largest share of Australia's ODA, an estimated total of \$196.75 million.¹ Indeed, Australia is one of the largest bilateral aid donors to the country.²

5.2 Australia channels its development assistance using two broad avenues—funding that goes to the Afghan Government and funds directed to off budget expenditure. In this chapter, the committee concentrates on aid directed to the Afghan Government.

On-budget support

5.3 For a number of years, the Government of Afghanistan and the international donor community have recognised the benefits of direct funding to the Afghan Government. As part of the 2006 Afghan Compact, donors undertook to increase their proportion of assistance channelled through the core budget, as well as through other more predictable core budget funding modalities in which the Afghan Government participates. In 2008, the international community agreed that aid was to be directed increasingly through the national budget as strengthened and accountable government institutions acquired greater capacity for management. Two years later, donors again reaffirmed their commitment to channel increasing international resources through the Afghan Government budget and in greater alignment with Afghan priorities. Indeed, in Kabul in July 2010, participants to the international conference acknowledged that:

...aid delivered through the budget is among the most effective means of reducing dependence, delivering the shared governance, development and security outcomes that Afghans desire, and increasing the coherence of aid and Afghan Government capacity.³

5.4 To implement the principles of effective partnership with the Afghan government, donors participating in the Kabul meeting and consistent with the London Conference Communiqué, restated their support for channelling at least 50

1 See AusAID Table 13.1. The OECD provides the figure of \$191.1 million <http://www.oecd.org/dac/aidstatistics/AUS.gif> (accessed 12 February 2013).

2 AusAID *Annual Report 2011–12*, p. 111. The corrected figure of \$191.1 million is contained in AusAID answer to question on notice no. 33. OECD statistics record that Australia was placed tenth in the top donors of gross ODA (2001–2011 average), <http://www.oecd.org/dac/stats/AFG.gif> (accessed 1 March 2013).

3 Communiqué, Kabul International Conference on Afghanistan, 20 July 2010, paragraph 7.

per cent of development aid through the Afghan Government's core budget within two years.⁴

5.5 From the beginning, the Australia Government has endeavoured to help build capacity and empower local Afghan authorities to deliver essential services by channelling a considerable amount of its assistance through government programmes. Indeed, since 2003, Australia has directed a significant portion of its aid through the Afghanistan Reconstruction Trust Fund (ARTF) as a means of providing on-budget support. The fund is now the primary vehicle for delivering Australian development assistance to Afghanistan.⁵

Afghanistan Reconstruction Trust Fund

5.6 The ARTF is one of the main avenues through which the international community contributes funds to the Afghanistan Government. The World Bank established the fund in early 2002 to facilitate a partnership between the international community and the Afghan Government for the improved effectiveness of reconstruction and development efforts in Afghanistan.⁶ Funding through this type of mechanism, known technically as on-budget assistance, is the largest single source of external on-budget financing for the Afghan Government.⁷ The fund is:

...a financing mechanism that coordinates assistance from key donors so that the government can make predictable, timely and accurate on-budget payments for approved recurrent and investment costs.⁸

5.7 The Management Committee, which manages the ARTF, consists of the World Bank (as the administrator), the Islamic Development Bank, the Asian Development Bank, and the UN.⁹ The ARTF involves pooling funds with many other donors to support country programs. Since its establishment, 32 donors have provided over US\$4 billion (as of 21 November, 2010), making the ARTF the largest

4 Communiqué, Kabul International Conference on Afghanistan, 20 July 2010, paragraph 8.

5 AusAID Afghanistan, <http://www.ausaid.gov.au/countries/southasia/afghanistan/Pages/home.aspx#aid> and <http://www.ausaid.gov.au/Publications/Pages/artf-head-agreement.aspx> and letter agreement of 2003 between the World Bank and AusAID, <http://www.ausaid.gov.au/countries/southasia/afghanistan/Documents/artf-head-agreement.pdf> (accessed 10 September 2012).

6 The World Bank, 'National Solidarity Project: Promoting Community-Based Development in Afghanistan', <http://www.worldbank.org/af/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/AFGHANISTANEXTN/0,,contentMDK:22888068~menuPK:50003484~pagePK:2865066~piPK:2865079~theSitePK:305985,00.html> (accessed 10 September 2012).

7 Mr Dawson, *Committee Hansard*, 3 December 2012, p. 10.

8 World Bank, *Afghanistan Country Program Evaluation 2002–2011*, Independent Evaluation Group, The World Bank Group, 2013, p. 21.

9 The World Bank, *Afghanistan Reconstruction Trust Fund*, http://siteresources.worldbank.org/INTAFGHANISTAN/Resources/Afghanistan-Reconstructional-Trust-Fund/ARTF_information.pdf (accessed 10 September 2012).

contributor to the Afghan budget for both operating costs and development programs.¹⁰ Its specific objectives are to:

- position the national budget as the key vehicle to align the reconstruction program with national development objectives;
- promote transparency and accountability of reconstruction assistance;
- reduce the burden on limited government capacity while promoting capacity-building over time; and
- enhance donor coordination for financing and policy dialogue.¹¹

5.8 The ARTF contributes to the achievement of the Afghanistan National Development Strategy (ANDS) goals through its support for national priority programs, for operating costs of government (wages for civil servants, operations and maintenance costs etc), and for the policy reform agenda.¹² In this regard, Professor Howes thought it was important to recognise that while the World Bank manages the fund and plays a significant role, the ARTF is a form of budget support. He explained:

That money goes to the Afghanistan government and some of it is earmarked for particular programs like the National Solidarity Program. But parts of it are just general budget support and they need that recurrent funding because they need to employ police and teachers.¹³

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- 10 The recent Independent Evaluation Group's *Afghanistan Country Program Evaluation 2002–2011*, p. 21, recorded that as of December 2011, the 32 donors had pledged \$4.8 billion. See also Ms Browning who informed the committee that 'Since its establishment in 2002 the Afghanistan Reconstruction Trust Fund has successfully mobilised over \$4 billion worth of assistance from around 30 donors, including Australia, which has contributed \$210 million since 2003'. *Committee Hansard*, 3 December 2012, p. 10. See also The World Bank, *Afghanistan Reconstruction Trust Fund*, pp. 5 and 7, http://siteresources.worldbank.org/INTAFGHANISTAN/Resources/Afghanistan-Reconstructional-Trust-Fund/ARTF_information.pdf (accessed 10 September 2012). According to US Government Accountability Office, as of April 2011, 32 donors had contributed about \$4.3 billion to ARTF. ARTF provides these funds through the Afghan government national budget to finance the government's recurrent operating costs and national development programs, United States Government Accountability Office, *Afghanistan: Actions Needed to Improve Accountability of U.S. Assistance to Afghanistan Government*, Report to Congressional Addressees, July 2011, p. 5.
- 11 The World Bank, *Afghanistan Reconstruction Trust Fund*, p. 1, http://siteresources.worldbank.org/INTAFGHANISTAN/Resources/Afghanistan-Reconstructional-Trust-Fund/ARTF_information.pdf (accessed 10 September 2012).
- 12 The World Bank, 'National Solidarity Project: Promoting Community-Based Development in Afghanistan', <http://www.worldbank.org.af/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/AFGHANISTANEXTN/0,,contentMDK:22888068~menuPK:50003484~pagePK:2865066~piPK:2865079~theSitePK:305985,00.html> (accessed 10 September 2012). The World Bank, *Afghanistan Reconstruction Trust Fund*, http://siteresources.worldbank.org/INTAFGHANISTAN/Resources/Afghanistan-Reconstructional-Trust-Fund/ARTF_information.pdf (accessed 10 September 2012).
- 13 *Committee Hansard*, 4 December 2012, p. 15.

5.9 AusAID noted that such funds help countries to take financial assistance from the international community and apply it directly to their budgetary lines for the delivery of services and for other normal essential activities of government.¹⁴ These sorts of arrangements have been in place in a number of fragile, conflict-affected states when support from the international community was most critical.¹⁵

Australia's funding through Afghanistan's core budget

5.10 Australia made its first contribution to the ARTF in 2003 and between 2004–06 continued to support the delivery of essential services through the fund.¹⁶ Consistent with undertakings at the Kabul Conference, Australia committed to allocating 50 per cent of its development assistance to Afghanistan through Afghan systems.¹⁷ According to AusAID, Australia was performing well against this goal and was providing 46 per cent of the AusAID country program in 2009–10 through the ARTF.¹⁸ Australia's contribution to the fund, which is now approximately half of AusAID's country assistance, compares favourably with other donors in relation to directing funds through Afghan systems (see table 14.1).¹⁹ To the end of 2012, Australia had contributed \$210 million to the fund.²⁰

Benefits of funding through the ARTF

5.11 AusAID informed the committee that pooled funding arrangements such as the ARTF have proven to be a very effective way to help the governments of fragile countries meet their immediate service delivery and fiscal challenges.²¹ In AusAID's assessment, the ARTF is one of the better and more effective examples of a pooled funding arrangement and of international better practice in managing international development assistance in a fragile context.²² According to AusAID officials, Australia has achieved significant results from its contributions to date and as a confidence-building measure for donors, the ARTF has proven to be 'very successful

14 Mr Dawson, *Committee Hansard*, 3 December 2012, p. 10.

15 *Committee Hansard*, 3 December 2012, p. 10.

16 AusAID, *Annual Report 2004–2005*, p. 87 and AusAID, *Annual Report 2005–06*, pp. 93–94 and *Committee Hansard*, 3 December 2012, p. 10.

17 AusAID Afghanistan, <http://www.aisaid.gov.au/countries/southasia/afghanistan/Pages/home.aspx#aid> (accessed 10 September 2012).

18 AusAID, *Australia's strategic approach to aid in Afghanistan 2010–2012*, December 2010, pp. 7 and 9; *Committee Hansard*, 3 December 2012, p. 10; and DFAT, *Submission 22*, p. 2.

19 See Table 15.1 in chapter 15 of this report.

20 *Committee Hansard*, 3 December 2012, p. 10.

21 *Committee Hansard*, 3 December 2012, p. 10.

22 *Committee Hansard*, 3 December 2012, p. 10. See also comments by Ms Browning who said the fund was 'one of the best ways we can provide effective assistance in a fragile and conflict affected state'. *Committee Hansard*, 3 December 2012, p. 10.

as a forum for engagement on serious issues of economic policy and government reform'.²³

Ownership

5.12 AusAID referred to the ARTF as a means whereby Australia, as part of the donor community, is able to engage with the Government of Afghanistan at a senior level on issues of key economic reform priorities for the country. Mr Paul Lehmann, AusAID Minister Counsellor, Australian Embassy, Kabul, explained:

...it is about the conversation that the international community is able to have with the government of Afghanistan in the context of the fund. It is where we can really talk tintacks about what it is that the government wants to do and how it is going to fund it, including funding and assistance provided by the international community, including Australia.²⁴

5.13 Mr Scott Dawson, AusAID, also referred to the high level of community engagement under ARTF programs that encourages local ownership of aid projects:

There has been a lot of work at the individual community level on basic community infrastructure which has been requested by and overseen by the communities themselves. Exercising the community decision-making processes associated with the identification of that community infrastructure and the supervision of its implementation have been very significant developments in terms of civil society engagement with government, which has occurred in Afghanistan since 2001.²⁵

Alignment

5.14 The World Bank, the Government of Afghanistan and donors to the ARTF determine jointly the priorities and governance arrangements for the fund's projects.²⁶ The 2011 *Independent Review of Australia's Aid Effectiveness* explained that, by being a contributor to the ARTF, Australia is not only part of the multi-donor effort to advance development results but importantly 'buys a seat at the table'.²⁷

5.15 AusAID informed the committee that aid channelled through the ARTF is 'delivered in line with the development priorities of the Government of Afghanistan as articulated in the Afghan Compact and the ANDS'.²⁸ The funds are directed to National Priority Programs including the National Solidarity Program, the Education Quality Improvement Program (EQIP), the National Rural Access Program and the

23 Mr Dawson, *Committee Hansard*, 3 December 2012, p. 10 and Mr Lehmann, *Committee Hansard*, 3 December 2012, p. 11.

24 *Committee Hansard*, 3 December 2012, p. 11.

25 *Committee Hansard*, 3 December 2012, p. 11.

26 *Independent Review of Aid Effectiveness*, April 2011, p. 193.

27 *Independent Review of Aid Effectiveness*, April 2011, p. 192.

28 AusAID Afghanistan, <http://www.ausaid.gov.au/countries/southasia/afghanistan/Pages/home.aspx#aid> (accessed 10 September 2012) and *Committee Hansard*, 3 December 2012, p. 10.

Microfinance Investment Support Facility for Afghanistan and the Basic Package of Health Services (BPHS).²⁹

5.16 Ms Michaela Browning, AusAID explained that AusAID participates in helping the Afghan Government design programs and then it endorses the funding for each one of its national priority programs.³⁰

Efficiency

5.17 As noted previously, the ARTF involves many donors combining their funds to support country programs. The *Independent Review of Aid Effectiveness* reported that such trust funds count as earmarked funds and like core funding generally involve low administrative costs for AusAID.³¹ In this regard, Mr Dawson argued that the fund is effective because it reduces transaction costs significantly by linking directly to the government budget of the country concerned.³² In effect, the ARTF reduces the administrative burden on the Afghan Government while building the government's capacity.³³ Mr Dawson explained further that by using the fund it is possible to use the one single structure instead of having 'multiple donors with multiple individual programs and multiple management and monitoring structures.'³⁴ Thus, such an arrangement also addresses the problem of coordinating programs.

Coordination

5.18 The *2011 Independent Review of Australia's Aid Effectiveness* noted that the World Bank exercises an important coordinating role at country level through the trust fund.³⁵ It found that the use of government systems has the advantage of avoiding parallel systems for donor projects that create administrative burdens for governments and donors.³⁶ According to the review, large global trust funds such as ARTF 'generally reduce fragmentation of aid by encouraging donors to work through one mechanism rather than bilaterally.'³⁷

5.19 AusAID also informed the committee that channelling funds through the Afghan system helps to counter the tendency for aid fragmentation and enhances donor coordination.³⁸ According to Ms Browning, Australia is heavily involved in

29 Phil Sparrow, *In it for the long haul? Delivering Australian aid to Afghanistan*, ACFID Research in Development Series Report no. 1, March 2011, p. 18.

30 *Committee Hansard*, 3 December 2012, p. 10.

31 *Independent Review of Aid Effectiveness*, April 2011, p. 192.

32 Mr Scott Dawson, *Committee Hansard*, 3 December 2012, p. 10.

33 *Committee Hansard*, 3 December 2012, p. 10.

34 *Committee Hansard*, 3 December 2012, p. 10.

35 *Independent Review of Aid Effectiveness*, April 2011, p. 198.

36 *Independent Review of Aid Effectiveness*, April 2011, p. 216.

37 *Independent Review of Aid Effectiveness*, April 2011, p. 192.

38 *Committee Hansard*, 3 December 2012, p. 10.

donor coordination and overseeing the management and implementation of the fund—in how Australian money is delivered and to what it contributes.

5.20 Professor Howes and Mr Pryke also observed that the World Bank management provided 'useful coordination and oversight'.³⁹ Dr Bizhan noted that the on-budget mechanisms foster institution-building and can ease monitoring and coordination of international development.⁴⁰

Managing for results

5.21 Aid effectiveness depends on reaching those in most need; matching their needs; and supporting projects that will be sustainable. In Afghanistan, a weak central government severely constrained by a lack of capacity to deliver front-line services and with poor links beyond urban areas means that managing aid for results is difficult. The National Solidarity Program (NSP), a centrepiece activity of the ARTF, exemplifies the positive results achieved from this community-centred outreach approach. It is discussed separately later in this chapter.

5.22 Corruption is a major factor in diverting aid from the intended beneficiaries. Evidence suggests that in Afghanistan aid operating outside government systems is more susceptible to corruption than development assistance channelled through the ARTF.⁴¹ According to AusAID, while corruption remains a serious problem in the public sector, the ARTF helps to counter unethical and dishonest practices in its program by promoting transparency and accountability.⁴²

5.23 The 2011 *Independent Review of Australia's Aid Effectiveness* noted that budget support was provided 'with very rigorous monitoring through a multi-donor trust fund managed by the World Bank'.⁴³ In this regard, the World Bank employs a number of review mechanisms. For example, World Bank technical experts conduct comprehensive fiduciary risk assessments and reviews of ARTF programs before the programs receive approval for funding.⁴⁴ According to AusAID, the World Bank also commissions independent evaluators every three years to review the financial, policy and implementation progress of programs funded through the ARTF.⁴⁵ It explained further that:

39 *Submission 14*, p. 12.

40 *Submission 13*, p. 6.

41 *Submission 14*, p. 12.

42 Mr Dawson and Ms Browning, *Committee Hansard*, 3 December 2012, p. 10.

43 *Independent Review of Aid Effectiveness*, April 2011, p. 65.

44 AusAID, *Australia's strategic approach to aid in Afghanistan 2010–2012*, December 2010, p. 17.

45 AusAID, *Australia's strategic approach to aid in Afghanistan 2010–2012*, December 2010, p. 17.

An independent monitoring agent (PriceWaterhouseCoopers) conducts regular site visits to check funds and ensure that expenditures comply with fiduciary standards.⁴⁶

5.24 Professor Howes and Mr Pryke noted that while the Afghanistan Government is tainted, corruption does not seem to feature through the largely recurrent and service delivery areas which the ARTF funds.⁴⁷ They argued that the ARTF has some notable advantages, including transparency and accountability, that allows it to avoid corruption and patronage seen in other parts of government and in other parts of the aid program which bypass government. They noted the following measures taken by the ARTF to aid greater transparency in, and accountability for, its funding and implementation of projects:

- strict World Bank oversight, which includes periodic external reviews, strict reporting requirements of funds entering and leaving the fund, external auditing, etc;
- the nature of disbursements, whereby most spending from the ARTF occurs in the form of pensions, salaries and other recurrent costs—these forms of spending are much more accountable (there is an established feedback mechanism when staff are not paid) than large pools of cash that are made available for infrastructural development and other types of investment; and
- a high degree of independent, third party monitoring, including the AusAID sponsored external review of the ARTF in 2012.⁴⁸

5.25 Despite these measures, Professor Howes and Mr Pryke go on to say that on-budget aid may still be wasted and ask:

Consider the aid which finances a teacher who does not turn up to school or who cannot read (having perhaps obtained their job by political connections). Or the aid which covers the costs of corrupt or violent police.⁴⁹

5.26 Even so, according to Professor Howes, while Afghanistan suffers considerably from corruption, it would be wrong to conclude that the Afghanistan government should be avoided altogether.⁵⁰

46 AusAID, *Australia's strategic approach to aid in Afghanistan 2010–2012*, December 2010, p. 17.

47 *Submission 14*, p. 12. See also, *Committee Hansard*, 4 December 2012, p. 15.

48 *Committee Hansard*, 4 December 2012, p. 15. Professor Howes and Mr Pryke noted further: 'Large pools of money (where disbursements and contracts can reach millions of dollars) have more limited feedback mechanisms and accountability and are more susceptible to patronage and corruption'. Professor Howes noted that 'because of the World Bank involvement and the way it has been organised, there is pretty good monitoring. You cannot guarantee that the teacher turns up to school, but at least you can guarantee that they have a salary'. Professor Howe and Mr Pryke, answer to written question on notice no. 5.

49 *Submission 14*, p. 12.

50 *Committee Hansard*, 4 December 2012, p. 15.

5.27 Other witnesses supported the view that the ARTF was less susceptible to corruption. Dr Bizhan also referred to corruption and lack of capacity in the Afghan Government to spend the assistance effectively as a major concern. Nonetheless, in his view once the level of assistance is increased through on-budget funding, the capacity of the Afghan Government should grow, which should put more pressure on the government to tackle corruption.⁵¹

The National Solidarity Program

5.28 The operation of the ARTF is consistent with the fundamental principles of aid effectiveness with one particular program a notable success so far—the National Solidarity Program (NSP), a community-driven reconstruction and rural infrastructure development program. This program is specifically designed to improve service delivery by strengthening linkages between national and provincial efforts. The program provides support for local communities and is intended to promote the development of rural villages and to empower communities to construct their own projects.⁵² According to the World Bank, the NSP has made significant achievements in empowering communities, improving community relations, and increasing public faith in the system of government.⁵³

5.29 The NSP also makes up for the shortfall in government capacity at both national and provincial level by drawing on civil society including major NGOs to help deliver basic services. Moreover, the program fosters strong community ownership and alignment of aid projects with the needs and priorities of communities.

5.30 To date, the project has disbursed over US\$1 billion of which US\$700 million has gone directly to community bank accounts.⁵⁴ AusAID explained the projects under this program are small scale, such as a bridge, some road refurbishment or construction. Importantly, there is also:

- the Education Quality Improvement Program (EQIP), which provides teachers and school facilities and supports communities to better manage their teaching activities;
- the National Rural Access Program, which connects villages to basic rural infrastructure and services such as markets, health care and schools and generates employment opportunities for rural communities; and

51 *Submission 13*, p. 7.

52 Professor Howes, *Committee Hansard*, 4 December 2012, p. 17.

53 The World Bank, 'National Solidarity Project: Promoting Community-Based Development in Afghanistan', <http://www.worldbank.org.af/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/AFGHANISTANEXTN/0,,contentMDK:22888068~menuPK:50003484~pagePK:2865066~piPK:2865079~theSitePK:305985,00.html> (accessed 10 September 2012).

54 The World Bank, 'National Solidarity Program III', <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/0,,contentMDK:22984153~pagePK:146736~piPK:146830~theSitePK:223547,00.html> (accessed 1 March 2013).

- the Basic Package of Health Services (BPHS), which is linked to the Afghan Ministry of Public Health's plans for Afghanistan with the money channelled through the World Bank.⁵⁵

5.31 In addition, the program provides some microfinance investment support.⁵⁶

5.32 According to the World Bank, the NSP is an ambitious move by the government to reach rural communities across Afghanistan and to address their needs using participatory approaches:

Implemented by the Ministry of Rural Rehabilitation and Development, through an extensive network of Facilitating Partner organizations (mostly NGOs), the NSP...has grown into the government's flagship rural development program.

Elected village-level Community Development Councils (CDCs), in which women play a key role, reach consensus on development priorities, develop investment proposals, and use grants and local labour to meet local needs.⁵⁷

5.33 Recognised as the World Bank's showcase program in rural areas, the NSP has reached all 34 provinces and succeeded in establishing 27,360 CDCs, which have undertaken at least 59,629 locally identified subprojects.⁵⁸

5.34 A World Bank study, which analysed the NSP, looked at the program's contribution to economic welfare, attitudes to government, and security. The results indicated that the program had 'a significant positive effect on economic well-being and attitudes toward all levels of government, NGOs, and possibly also to foreign forces'.⁵⁹ An Afghan Ministry of Finance evaluation also noted that although the role of the civil society was much more limited:

55 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 2 June 2009, p. 110.

56 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 2 June 2009, p. 110.

57 The World Bank, 'Promoting Community-Based Development', <http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:21296643~menuPK:3266877~pagePK:51236175~piPK:437394~theSitePK:73154,00.html> (accessed 1 March 2013).

58 *Afghanistan Country Program Evaluation 2002–2011*, Independent Evaluation Group, The World Bank Group, 2013, p. 60. Previous statistics showed the NSP has established 26,395 CDCs in 34 provinces of Afghanistan, covering a rural population of about 22 million. So far, approximately 24,862 communities received financing to implement their priority subprojects. The World Bank, 'National Solidarity Project: Promoting Community-Based Development in Afghanistan', <http://www.worldbank.org.af/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/AFGHANISTANEXTN/0,,contentMDK:22888068~menuPK:50003484~pagePK:2865066~piPK:2865079~theSitePK:305985,00.html> (accessed 10 September 2012).

59 Andrew Beath, Fotini Christia and Ruben Enikolopov, *Winning Hearts and Minds through Development?*, Evidence from a Field Experiment in Afghanistan, http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/07/12/000158349_20120712093251/Rendered/PDF/WPS6129.pdf (accessed 10 September 2012).

...some Afghan government designed programs, namely the National Solidarity Program (NSP), promote a citizen inclusive development process at the grass roots level.⁶⁰

5.35 As mentioned previously, a number of witnesses noted the centralised state of public administration in Afghanistan and the weak connections between the national government and local communities which create problems for the effective delivery of aid. Some cited the NSP as a solution. Mr Krishnan referred to the NSP as 'one of the most successful programs in Afghanistan' while Professor Howes stated that national programs such as the NSP were effective at getting funds out to the provinces.⁶¹ Professor Maley argued that rather than implementing a proposed agenda of development that may not match what communities need, the program reflects 'the sense of needs that *actually exist in real communities*'. In his view, this alignment with people's needs was the program's strength.⁶²

5.36 Although, according to Professor Maley, there had been some sustainability issues with the program, the arrangement whereby small amounts of money were provided through local councils had 'worked quite well'.⁶³ He also noted that even though some NSP projects may have gone wrong, the one-off grant arrangement meant that the amount of money lost in the process had not been all that large because funds were released in relatively small tranches:

If, say, \$60,000 is not effectively used at a particular level the council administering it knows in advance that the prospect of getting another piece of funding from the process will be relatively limited.⁶⁴

5.37 Professor Maley suggested that the NSP was a prime example of the 'bottom-up' approach, which had 'allowed grants to be made to community development councils to spend in ways which for them appeared to have the greatest local priority'. He noted, however, that the program had been confined to rural areas, and elsewhere, the 'top-down' model had received more support.⁶⁵

5.38 The NSP has been particularly successful at delivering essential services in the fields of education and health, two areas of particular relevance to Australia's aid program in Afghanistan. Indeed, currently the large proportion of AusAID's expenditure that goes through the World Bank Trust Fund program support basic services delivered by the Afghan Government including health and education services.

60 Ministry of Finance, Islamic Republic of Afghanistan, *Joint Evaluation of the Paris Declaration Phase 2: Islamic Republic of Afghanistan, 2010*, p. 8.

61 *Committee Hansard*, 4 December 2012, p. 58 and *Committee Hansard*, 4 December 2012, p. 17.

62 Answer to written question on notice no. 5 (emphasis in original).

63 *Committee Hansard*, 4 December 2012, p. 6.

64 *Committee Hansard*, 4 December 2012, p. 11.

65 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 83.

Education

5.39 Afghanistan's Target for Millennium Development Goal (MDG) 3—universal primary education—is to ensure that, by 2020, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.⁶⁶

5.40 Education is a focus of Australia's aid program in Afghanistan and one of the strategic visions identified in Afghanistan ANDS. Through the ARTF, Australia funds national programs including the Education Equality Implementation Program, EQUIP. This program is intended to increase access to basic education; improve skills of teachers and principals; as well as the ministry of education's management, monitoring and evaluation of its programs.⁶⁷ It has constructed over 1,500 schools; graduated over 67,000 teachers from teacher training college; trained over 150,000 teachers; provided school management training to over 11,000 principals and school managers; and provided 5,000 scholarships for women to study at teacher training colleges.⁶⁸

5.41 Mr Poulter, CARE Australia, noted the successes of this community based education program run by village education committees that oversee the schools. He stated that there have been 'quite a lot of incremental gains':

...it is the process of communities coming together and looking at their situation collectively and deciding what they can do to change it with support from the national government. For me, that is a big positive of the last 15 years.⁶⁹

5.42 Recently, the program has reached over 100,000 people. Mr Poulter informed the committee that over the past two years, the program had not only included grades 1 to 6, but moved to grades 7 to 9 and early secondary, and experimented with community based early secondary schools.⁷⁰

5.43 According to AusAID, there is also a strengthening higher education program designed to restore basic operational performance at a group of core universities in Afghanistan. An Afghanistan's skills development program is also in operation to improve access to high-quality vocational education, and to train management in administration, information, and communications technologies.⁷¹

5.44 It should be noted that in April 2011, as part of its regular oversight of EQUIP, a World Bank review mission found that school construction was 'below the expected standard, and that some schools were unsafe'. The review made several

66 UNDP Afghanistan website, http://www.undp.org.af/demo/index.php?option=com_content&view=article&id=62&Itemid=68 (accessed 4 February 2013).

67 *Committee Hansard*, 3 December 2012, p. 14.

68 Ms Michaela Browning, AusAID, *Committee Hansard*, 3 December 2012, p. 14.

69 *Committee Hansard*, 4 December 2012, p. 38.

70 *Committee Hansard*, 4 December 2012, pp. 39–40.

71 *Committee Hansard*, 3 December 2012, p. 14.

recommendations to ensure that schools were repaired and management systems improved. Both the World Bank and the Ministry of Education have put in place measures to rectify the deficiencies.⁷²

Health

5.45 Afghanistan's targets for MDG 4 and 5 (reduce child mortality and improve maternal health) are to:

- reduce by 50 per cent, between 2003 and 2015, the under-five mortality rate, and further reduce it to one third of the 2003 level by 2020; and
- reduce the maternal mortality rate by 50 per cent between 2002 and 2015, and further reduce it to 25 per cent of the 2002 level by 2020.⁷³

5.46 The past decade has seen impressive progress toward achieving these goals. The *Afghanistan Mortality Survey 2010* shows that the number of children dying before the age of five has fallen from one in four to one in 14; the maternal mortality rate has fallen from one death in 62 live births to less than one in 300; and for women, the lifetime risk of dying from pregnancy-related complications has fallen from one in 11 to one in 50. The percentage of the population with access to primary healthcare has increased from 9 per cent to 60 per cent, and the proportion of children vaccinated against diphtheria, tetanus and whooping cough has jumped from 31 to 82 per cent.⁷⁴

5.47 According to Save the Children, Oxfam and World Vision Australia, these significant achievements were due in large part to the Basic Package of Health Services (BPHS) and the Essential Package of Health Services.⁷⁵

5.48 The community based approach is at the core of the BPHS' effectiveness. Some 15,000 community health committees have been formed with more than 23,000 voluntary community-based health workers recruited and trained. According to the three NGOs, approximately 50 per cent of these health workers were women, making health services more accessible for women and girls. BPHS' success can also be attributed to the fact that the services are free at the point of delivery and implemented in districts where 85 per cent of the population live. In particular, the BPHS' focus on mothers and children has contributed to ante-natal care more than tripling between 2003 and 2010, and the number of births being assisted by a skilled birth attendant more than doubling in the same period.⁷⁶

5.49 The three NGOs cited the Ministry of Public Health's Strategic Plan, which reported that contracting with NGOs had worked well and had shown to be a way for the Afghan Government to regain and maintain policy leadership rapidly. The

72 AusAID, answer to written question on notice no. 17.

73 *Submission 6*, p. 31.

74 *Submission 6*, p. 31.

75 *Submission 6*, p. 31.

76 *Submission 6*, p. 31.

strategic plan also noted that contracting had proven 'enormously successful in expanding service coverage and improving on quality of care.'⁷⁷

5.50 The bulk of Australia's support to healthcare in Afghanistan has been delivered to the BPHS, via the ARTF.⁷⁸

Overall effectiveness

5.51 The Australian Council for International Development (ACFID) informed the committee that the implementation models adopted by the NSP and the BPHS were generally regarded as having been effective in bringing about significant advances in service delivery, and the model adopted by the EQUIP was also beginning to produce results. Save the Children, Oxfam and World Vision Australia identified the following positive aspects of these models:

- the majority of funding is on-budget and managed by the concerned ministries, thus ensuring that programs fit with government priorities, policies and strategies—implementation, monitoring and evaluation are standardised and regulated by the ministry;
- ministries contract out program implementation to NGOs, who are able to draw upon their expertise in the communities in which they work, thus enhancing the quality of program design;
- programs delivered by NGOs are often in areas that are out of reach of the government line ministries, and yet the programs are recognised by communities as government programs, thus enhancing government legitimacy;
- donors, government and implementing NGOs work in partnership, leading to mutual learning and capacity building, support and supervision;
- substantial measures are taken to include women in the programs, such as the NSP's minimum quota of two women in each community development council executive; and
- significant involvement of the community in program design, implementation and monitoring, resulting in ownership and sustainability.⁷⁹

5.52 Save the Children, Oxfam and World Vision Australia saw potential to improve the programs further. In their view, if such programs were expanded and replicated, backed by long-term, sustainable funding, and the lessons from past evaluations addressed, the impact of a reduction in international development assistance could be substantially mitigated.⁸⁰

77 *Submission 6*, p. 14.

78 *Submission 6*, p. 31.

79 *Submission 6*, p. 14.

80 *Submission 6*, pp. 14–15.

Assessment of funding through government systems

5.53 A 2010 ACFID study reported that independent evaluations assessed the ARTF as 'performing highly' and well regarded.⁸¹ The 2011 *Independent Review of Australia's Aid Effectiveness* found that on the whole, distributing funding through partner government systems had 'been a positive experience'. Indeed, it recommended that Australia expand its share of aid being disbursed through government systems. The review noted that the use of government systems has two advantages:

- it avoids parallel systems for donor projects that create administrative burdens for governments and donors; and
- can help donors influence and improve policy and program settings of entire government systems rather than being confined to individual aid activities.⁸²

5.54 The core funding, however, goes toward general operations and therefore cannot be traced to particular activities. Even so, the review argued that donors, including Australia, can legitimately claim their core funding has contributed to the overall results achieved by multilateral organisations.⁸³ The recent review of the ARTF found that the overall structure and functioning of the fund was deemed to be 'very good'. It reported:

The ARTF remains the mechanism of choice for on-budget funding, with low overhead/transaction costs, excellent transparency and high accountability. It provides a well-functioning arena for policy debate and consensus creation. The close links with the IDA [International Development Association (World Bank)] provide economies of scale and free access to high-quality relevant knowledge products but raises questions about ARTF funding decisions being too much driven by IDA choices.⁸⁴

5.55 Many witnesses agreed with the general assessment about the effectiveness of the ARTF. According to Mr Dawson, the headline changes in Afghanistan's development circumstances since 2001 had been due to funding provided through the ARTF. He cited the very significant increase in school enrolments—from about a million in 2001 to almost eight million today, of which 2.7 million were girls who were not in school before. He stated further that international community pooled funding through the ARTF had produced a very significant increase in access to basic

81 ACFID, *In it for the long haul? Delivering Australian aid to Afghanistan*, ACFID Research in Development Series Report no. 1, March 2011, p. 1. See also an earlier Oxfam study which found that internationally-administered Trust Funds offer an effective means of minimising waste, Matt Waldman, *Falling short, Aid Effectiveness in Afghanistan*, ACBAR Advocacy Series, March 2008, p. 21.

82 *Independent Review of Aid Effectiveness*, April 2011, p. 216.

83 *Independent Review of Aid Effectiveness*, April 2011, p. 192.

84 Scanteam, Analysts and Advisors, *ARTF at a Cross Roads: History and the Future*, Final Report, Oslo, September 2012, p. 1.

health care services as well as the rehabilitation of more than 10,000 kilometres of rural roads, providing thousands of jobs.⁸⁵

5.56 Professor Howes identified the budget support through ARTF as a success story.⁸⁶ He and his colleague, Mr Pryke, reported that by all accounts, the ARTF worked well and seemed to be 'an effective aid delivery mechanism'.⁸⁷ They noted that 'compared to other donors, Australia appears to have a relatively high proportion of its aid directed to national programs', which they suggested was a strength.⁸⁸ Mr Leahy, CARE Australia, informed the committee that budget support was 'a very valid way of promoting development effectiveness objectives'.⁸⁹

5.57 Dr Bizhan, who has been working in Afghanistan as head of the joint coordination and monitoring board secretariat, recognised the value in using jointly managed trust funds such as the ARTF and the government budget.⁹⁰ He noted that while Australia was largely using the Afghan country systems, there was scope for improvement. He suggested that the total on-budget assistance of Australia should increase to 50 per cent from 46 per cent of its total annual assistance.

2012 independent review of the ARTF

5.58 Although the independent review of the ARTF described the fund as 'an effective mechanism which remains fit for purpose', it found scope for improved performance.⁹¹ In its view, a structured approach to defining medium-term objectives in relevant projects and ARTF as a program was missing. Also, the review would like to see 'more reporting, analysis and knowledge generation on geographic/sectoral results, differences and opportunities for progress'. According to the review:

Given likely (regional) challenges to gains already produced over the coming period, more intensive and detailed reporting becomes particularly important.⁹²

5.59 The review also found that while performance tracking had improved, considerable work was required to get 'a consistent, comprehensive and critical tracking and reporting system in place for ARTF as a program'.⁹³ In addition, it

85 *Committee Hansard*, 3 December 2012, p. 11.

86 *Committee Hansard*, 4 December 2012, p. 14.

87 *Submission 14*, p. 13.

88 *Submission 14*, pp. 8 and 12.

89 *Committee Hansard*, 4 December 2012, p. 35.

90 *Committee Hansard*, 4 December 2012, p. 21.

91 *Committee Hansard*, 3 December 2012, p. 11 and *Submission 22*, p. 2. See also *Submission 14*, p. 12.

92 Scanteam, Analysts and Advisors, *ARTF at a Cross Roads: History and the Future*, Final Report, Oslo, September 2012, p. 2.

93 Scanteam, Analysts and Advisors, *ARTF at a Cross Roads: History and the Future*, Final Report, Oslo, September 2012, p. 2.

referred to managing natural resource rent and the resource curse and the importance of defending gains made to date during the transition and transformation period. Both matters are considered later in the report.

5.60 Mr Lehmann, AusAID, agreed with the finding that the ARTF could do better. He mentioned improvements 'around aligning the funding that comes through the fund with the Government of Afghanistan's priority programs', suggesting that 'a little bit more work' could be done in this area. Also, according to Mr Lehmann, donors need to work with the World Bank to ensure that their results and reporting capacity are 'up to scratch'. He noted that Australia had been on the front foot in this regard and was working quite closely with the bank to ensure that, post 2012, the ARTF would have 'an even more robust results framework'.⁹⁴

Conclusion

5.61 Overall, evidence from numerous reports and from witnesses appearing before the committee support AusAID's view that funds directed through the Afghan Government systems are more successful in promoting government ownership and aligning projects with government priorities. This arrangement also helps to prevent wastage of funds, encourages better coordination between projects (less duplication and better targeted) and is better suited to counter corruption.

5.62 The committee recognises the positive results gained through the ARTF, especially the NSP. The committee supports the Australian Government's commitment to channelling 50 per cent of its ODA to Afghanistan through the World Bank supervised fund. The committee notes observations about the potential to improve the operation of the ARTF such as defining mid-term objectives; ensuring that 'a consistent, comprehensive and critical tracking and reporting system' is in place for ARTF as a program; and improved accountability by setting down measurable conditions for allocating funds. These recommendations for improving the performance of the program certainly contain lessons for all donor countries, including Australia, and are discussed in the final chapter.

94 *Committee Hansard*, 3 December 2012, p. 11.

Chapter 6

International NGOs

6.1 Australia has in place a range of measures to protect funds, ensure accountability and reduce the risks associated with delivering assistance to Afghanistan. One such measure is using trusted partners including the World Bank and UN agencies. The committee has discussed at length Australia's use of the ARTF managed through the World Bank. Australian agencies funding development assistance also work with NGOs because of their 'strong in-country presence, long term experience and demonstrated effectiveness in Afghanistan'.¹ Between 2009–10 and 2011–12, 13.6 per cent of AusAID's bilateral program to Afghanistan was channelled through NGOs.²

6.2 In this chapter, the committee considers Australian aid funding to Afghanistan delivered through multilateral organisations but in particular through NGOs.

International agencies

6.3 During the years immediately following 2001, Australia did not have a permanent presence in Afghanistan and provided aid as part of a coordinated international effort. Australia's approach was to use multilateral agencies and NGOs as primary delivery mechanisms.³

Multilateral organisations

6.4 Because of perceived advantages, Australia adopted the practice of funding multilateral agencies and NGOs to deliver aid. For example, the Australian Centre for International Agricultural Research (ACIAR) recognised the many benefits to be gained from partnering with multilateral organisations to deliver development assistance especially to a country such as Afghanistan. It informed the committee that ACIAR works with the Consultative Group on International Agricultural Research, which includes 15 international research bodies. The 15 centres work multilaterally for international development through agricultural research and are dedicated to reducing poverty, increasing food security, improving human health and nutrition and ensuring sustainable management of natural resources.⁴

1 AusAID, *Australia's strategic approach to aid in Afghanistan 2010-2012*, December 2010, p. 17.

2 AusAID answer to written question on notice no. 3. Professor Howes noted that in general NGOs make up about 10 per cent of the Australian aid program but he and his colleague, Mr Pryke, had seen figures suggesting that 23% of the Afghanistan aid program goes through NGOs (9% to the International Red Cross, 14% to Australian and national NGOs in 2009 according to ACFID), *Submission 14*, p. 13.

3 AusAID, *Annual Report 2002–2003*, p. 64. For detail on projects see paragraphs 3.22–3.25; AusAID, *Annual Report 2004–2005*, p. 87 and AusAID, *Annual Report 2005–06*, pp. 93–94.

4 *Committee Hansard*, 3 December 2012, p. 31.

6.5 One such centre—the International Center for Agriculture Research in Dry Areas (ICARDA)—works closely with Afghanistan's Ministry of Agriculture, Irrigation and Livestock through collaborative projects in several provinces.⁵ For over a decade, the centre has been active in helping to rebuild agriculture in Afghanistan. In 2002, it started rehabilitating agricultural research stations in Kabul, Baghlan, Konduz, Takhalm and Galalabad.⁶

6.6 Importantly, the consortium is able to draw on an extensive pool of international researchers whose expertise relates directly to the challenges confronting Afghan farmers. As noted above, another reason for using such a centre is its access to existing infrastructure in Afghanistan which helps to reduce transaction costs. Dr Simon Hearn, ACIAR, explained:

If we did not have a partnership like that, then the transaction costs for doing research would be a lot higher and, on a budget of this particular size—this year it is anticipated to be \$4 million in research—you want to minimise your transaction costs and get as much as you can into the research aspect.⁷

6.7 According to his colleague, Dr John Dixon, ICARDA has offices in Afghanistan and quite a large staff and are very well-positioned to manage projects in that country.⁸

6.8 Providing support for food relief through the World Food Programme is another example of AusAID's use of multilaterals. AusAID funds are pooled with contributions from other donors including Japan, United Kingdom and Canada to reach more people in need. This programme aligns with Australia's aid policy commitment to make greater use of multilateral partners with proven track records. In 2012, the *Australian Multilateral Assessment*, which produces a report on the effectiveness of Australia's multilateral partners, ranked the program as 'one of the most effective recipients of Australian aid funding'.⁹

6.9 Although one of the arguments in favour of channelling aid through multinational organisations is that it reduces transaction costs, the matter of significant overhead costs remain. The Joint Submission from Save the Children, Oxfam and World Vision noted that the Australian government should evaluate the cost-

5 CGIAR website, <http://www.cgiar.org/who-we-are/> and <http://www.cgiar.org/cgiar-consortium/research-centers/international-center-for-agricultural-research-in-the-dry-areas-icarda/>

6 Adel-El-Beltagy, Director General, ICARDA, Transcript, The Robert S. McNamara Seminar: Agriculture, Growth and Human Security, the Role of Agriculture and Agricultural Research in Generating Growth and Post Disaster Reconstruction, 2 July 2003, p. 28.

7 *Committee Hansard*, 3 December 2012, p. 33.

8 *Committee Hansard*, 3 December 2012, p. 32.

9 AusAID, *Annual Report 2011–2012*, p. 115. The Australian Multilateral Assessment has developed a multilateral rating system designed to assess a number of multilateral organisations in relation to poverty orientation and effect; capacity to make a difference; value for money; and alignment with Australia's development objectives.

effectiveness of channelling aid through multilateral organisations given that they charge significant overheads and then usually sub-contract projects to international or national NGOs who also need to cover their operating expenditure.¹⁰

6.10 In this regard, the *Australian Multilateral Assessment* found that the lowest ratings for organisations under its review were in relation to ‘cost and value consciousness’—an area where it found the least amount of evidence available. This assessment, which considered 42 multilateral organisations against an assessment framework, observed that:

...a focus on cost effectiveness, a critical element in ensuring value for money, is not a high priority for most multilateral organisations, their governing bodies or donors.

6.11 The Assessment indicated that there was scope for greater attention to ensure value for money, particularly in relation to cost effectiveness.¹¹

NGOs

6.12 NGOs also have a critical role in the effective delivery of aid and in humanitarian assistance because of their experience in countries affected by conflict and/or natural disasters; their expertise in relief and recovery efforts; and ability to draw on international resources.¹² Some NGOs not only have extensive experience and established facilities in countries such as Afghanistan but have personal networks with local groups that help them provide assistance more effectively. Mr Melville Fernandez noted that NGOs such as Caritas have a long-term presence in Afghanistan and are highly regarded for their close relationships with Afghan communities in both rural and urban areas. Indeed, Caritas' partner agencies have been in Afghanistan for 28 years and ran programs during the Taliban ascendancy.

6.13 Based on this level of engagement, such aid agencies have a deep awareness of the difficulties in delivering aid and a wealth of experience in how to negotiate successfully in demanding and complex circumstances.¹³ CARE Australia also referred to its longstanding work in Afghanistan, which provides the organisation with valuable insights into the broader issues and challenges facing both the Afghan Government and the international community as they plan for the future. It also mentioned its strong ties to the communities and to government.¹⁴ Save the Children has been operating in Afghanistan since 1976, Oxfam for three decades and World Vision for over ten years. All three NGOs work with local partners and communities to help Afghans improve their lives and help them overcome poverty.¹⁵

10 *Submission 6*, p. 16.

11 AusAID, *Australian Multilateral Assessment*, March 2012, p. xiv, <http://www.ausaid.gov.au/partner/Documents/ama-full-report.pdf> (accessed 5 February 2013).

12 *Committee Hansard*, 4 December 2012, p. 50 and *Submission 14*, p. 13.

13 *Committee Hansard*, 4 December 2012, p. 53. See also paragraph 10.38.

14 *Submission 15*, p. 10.

15 *Submission 6*, pp. 4–5.

6.14 In Afghanistan, multilateral organisations and NGOs are well placed to encourage Afghan ownership, help minimise duplication, take advantage of their on-the-ground infrastructure and mobilise and coordinate donor resources for humanitarian crises.¹⁶

Partnerships with the Afghan Government

6.15 The 2012 TLO report noted that some respondents criticised the Australian policy of directing development assistance through Afghan Government institutions, because, in their view, the government was 'unable to manage these sums correctly.'¹⁷

6.16 The committee has referred to the severe capacity constraints within Afghanistan, including within the ministries and their departments, that generate difficulties for the delivery of even the most basic of services. It has also noted, however, the strong partnerships that some international NGOs have established with the Afghan Government that are vital to the delivery of front-line services such as education and health through the NSP. The committee now considers this relationship in greater depth.

6.17 Mr de Groot, Caritas Australia, highlighted the risk to political stability should the government fail to deliver essential services. He noted the critical importance of the donor community's support for the development and delivery of basic services in well-coordinated ways, through both government and bilateral partners.¹⁸ According to Mr de Groot, the reality on the ground is that the Afghan Government, and Afghan civil society more generally, often lack the capacity and the resources to meet the development challenge.¹⁹ He stated:

One of the most challenging aspects for NGOs in Afghanistan is striking the right balance between recognising the need to support capacity building for the Afghan government and local NGOs, and the imperative of ensuring high-quality services and their provision through international NGOs that have an established track record in-country.²⁰

6.18 In his view, one way to help the government deliver essential services, particularly in health and education, was through partnerships between communities, civil society, government, donors and NGOs. In other words, NGOs supporting direct service delivery to communities to provide education opportunities for young Afghans and health services for all.²¹ For example, Caritas works through its network partners

16 AusAID, *Annual Report 2001–2002*, p. 90; AusAID, *Annual Report 2002–2003*, p. 64; and Statement by the Hon. Alexander Downer MP, Minister for Foreign Affairs, 'Australia's Overseas Aid Program 2002–03', 14 May 2002.

17 *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 13.

18 *Committee Hansard*, 4 December 2012, p. 49.

19 *Committee Hansard*, 4 December 2012, p. 49.

20 *Committee Hansard*, 4 December 2012, p. 49.

21 *Committee Hansard*, 4 December 2012, p. 49.

to deliver a number of health and education programs jointly with the government that have produced successful results. The community based education and the Basic Package of Health Care Services (BPHS) exemplify the partnership approach and demonstrate the valuable role of NGOs in supporting government agencies to assume the management of services with the support and involvement of communities.²²

Delivering education services

6.19 Mr Poulter, Care Australia, explained to the committee that it was often easy to underestimate the strength of communities in Afghanistan and the role they can play. He also cited the community based education program, which has been running effectively over the last few years. The ministry of education had demonstrated an interest in both policy and practice and, with CARE's support, had developed relevant policies and established a community based education unit. Mr Poulter explained that CARE was just one of the organisations able to assist the Afghan Government to build frameworks, put in place practical means to implement policy, and then, down the track, hand programs over to the government so that it could run, sustain and even expand them.²³

6.20 Mr Leahy also referred to CARE Australia's experience in supporting community based education. He noted, however, that the move to budget support, pushed by the donor community, had resulted in some set-backs to the community based education program:

A couple of years ago, the US government decided to discontinue funding to a consortium of NGOs that involved CARE around community based education and, as consequence, we were requested to transition a number of the community based education schools that were under our support—around 600 of them—across to the government. Of those, approximately 200 disappeared very quickly because the government was not in a position to be able to manage them.²⁴

6.21 He noted that the lesson to be drawn from this experience highlighted the need to pace and manage carefully the transition so that it was in step with the government's capacity to take over the direct delivery of services.²⁵

Delivering health services

6.22 The *2011 Independent Review of Aid Effectiveness* found evidence of NGOs in Afghanistan delivering the bulk of health services in many provinces, often on behalf of the Government of Afghanistan.²⁶ It was impressed with the improvements

22 *Submission 10*, p. 1 and *Committee Hansard*, 4 December 2012, p. 50.

23 *Committee Hansard*, 4 December 2012, p. 40.

24 *Committee Hansard*, 4 December 2012, p. 35.

25 *Committee Hansard*, 4 December 2012, p. 35.

26 *Independent Review of Aid Effectiveness*, April 2011, p. 206.

in health in Afghanistan achieved by the government including and working through NGOs.²⁷

6.23 As noted in the previous chapter, the Basic Package of Health Services, which is community focused, has proven successful. Mr Fernandez explained that this program builds the capacity of government service providers, who work in partnership with communities, civil society donors and NGOs—an approach known to be efficient and effective. He explained:

As a result of this Cordaid project health care is available in all the seven districts of Uruzgan, including remote and insecure areas, and the number of clinics has grown in eight years from 13 to 21. BPHS is currently being delivered by contract with non-governmental organisations in 31 of the 34 provinces of Afghanistan and has led to recent health improvements.²⁸

6.24 Professor Howes and Mr Pryke were of the view that overall, and consistent with international evidence, it would seem that the NGOs 'do a good job in delivering health and education services'.²⁹ Professor Howes explained that the Afghan Government recognised that, while basic health and education policy was a matter for government, the delivery of such services was beyond its capacity. He noted that it made sense for the government to turn to NGOs to help deliver health and education services and had decided wisely to do so, especially health services. Professor Howes made clear that engaging NGOs in this way 'is not seen as bypassing government; it is done with the cooperation of government'. In his view it has worked well—NGOs deliver aid more effectively than government would and are less corrupt. While acknowledging that they are not without problems, he argued that they are able to do a better job of getting services out beyond the capital city.³⁰

Strategic use of NGOs

6.25 According to Professor Howes, Australia uses NGOs in Afghanistan in a more strategic way to deliver essential services, in particular in health and education. He and his colleague, Mr Pryke, described Australia's reliance on non-government organisations as a positive feature of the Australian aid program in Afghanistan. Indeed, Professor Howes identified support for NGOs as one of Australia's success stories which in his view should be built on.³¹

6.26 Many witnesses referred to the important role that local NGOs have and will have as Afghanistan transitions to self-reliance. The use of local NGOs is considered in Part III of the report.

27 *Independent Review of Aid Effectiveness*, April 2011, p. 165.

28 *Committee Hansard*, 4 December 2012, p. 50.

29 *Submission 14*, p. 13.

30 *Committee Hansard*, 4 December 2012, pp. 13–14.

31 *Committee Hansard*, 4 December 2012, pp. 13–14.

Conclusion

6.27 The previous chapter described the partnership arrangement that existed between the Afghan Government, NGOs and local communities that has succeeded under the ARTF in producing some remarkable improvements, especially in education and health services. NGOs are a critical link in this delivery service. Some have been in Afghanistan for many decades and continued to provide assistance to communities even during times of heightened insecurity. They have built up strong relationships with the people of Afghanistan and are held in high regard for their work. Currently, they are filling gaps in the government's capacity to serve its people and thereby enabling both the national and subnational levels of government to reach out to communities and deliver services more effectively.

6.28 Afghanistan's heavy dependency on development assistance, its severe capacity shortfalls and its intention to take over full responsibility for delivering services to its people means that aid programs need to take account of how best to effect this transfer of responsibility. An important consideration in designing and implementing programs delivered by NGOs is to ensure that ultimately through a carefully phased and planned process, Afghanistan will be in a position to take over service delivery. Any evaluation of a program should consider the extent to which it is working successfully toward this goal.



Uruzgan is one of the poorest, most underdeveloped and remote provinces in Afghanistan. (image courtesy of the Department of Defence)

Chapter 7

Uruzgan Province

7.1 Although Australia channels the bulk of its aid to Afghanistan through national level programs, a smaller but significant proportion of Australia's ODA goes to Uruzgan province. In this part of the country, Australia maintains a considerable troop presence and Australian civilian and police officials work within the multinational Uruzgan Provincial Reconstruction Team (PRT).¹ In this chapter, the committee considers Australia's contribution to integrated civil-military-police efforts to help stabilise and rebuild Afghanistan. The committee is particularly focused on the effectiveness of Australia's development assistance to Uruzgan province through the PRT.

Background

7.2 Uruzgan in southern Afghanistan is one of the poorest provinces in the country. It has a population of approximately 400,000–500,000 and is one of the most remote and undeveloped of the country's 34 provinces.² It has a female literacy rate at less than one per cent; illiteracy is common amongst provincial officials; and conflict and instability severely impede development progress and the capacity to deliver and access basic services. Corruption remains a major challenge and compounds other constraints on development.³ According to Ms Lydia Khalil, only 30 per cent of public servants positions are filled, the reach of the national government is scant, corruption is high, economic prospects are low, and the province remains a 'hotbed of insurgent activity'.⁴

Australia's engagement in Uruzgan

7.3 In 2009–10, AusAID estimated that it spent around 10 per cent of its country program in Uruzgan Province. After Australia assumed leadership of the PRT, the proportion of Australia's ODA to Uruzgan increased substantially and now stands at approximately 20 per cent of Australia's total ODA to that country.⁵ Figures show that AusAID development assistance to Uruzgan increased from \$1.6 million in 2009–10 to \$23 million in 2010–11.⁶ Also, some aid that is channelled through national

1 See for example, *Submission 20*, p. [2] and AusAID, *Annual Report 2010–2011*, p. 121.

2 AusAID, *Annual Report 2008–2009*, p. 113 and AusAID, *Annual Report 2009–2010*, p. 112.

3 *Committee Hansard*, 3 December 2012, p. 2.

4 *Submission 20*, p. [1].

5 AusAID Afghanistan, <http://www.aid.gov.au/countries/southasia/afghanistan/Pages/home.aspx#aid> (accessed 10 September 2012) and AusAID, *Annual Report 2010–2011*, p. 121. See also AusAID, answer to written question on notice no 8.

6 AusAID, *Annual Report 2010–2011*, p. 121. See also AusAID, Afghanistan, <http://www.aid.gov.au/countries/southasia/afghanistan/Pages/home.aspx#aid> (accessed 10 September 2012).

programs also reaches Uruzgan. For example, AusAID noted that the NSP, which AusAID supports through the ARTF, has spent \$18.5 million in Uruzgan since 2005.⁷

Achievements

7.4 From Australia's perspective, the work of the PRT in Uruzgan is a whole-of-government endeavour whereby the ADF, DFAT and AusAID develop projects jointly.⁸ In chapter 3, the committee described the range of activities undertaken by Australian military and civilian personnel in Uruzgan as part of the PRT. In 2012, DFAT explained:

For much of the past two years, the PRT has had a presence in five of Uruzgan's six districts, where PRT officers have undertaken intensive political and tribal engagement activities, designed and implemented development and stabilisation programs, and promoted peace and reintegration objectives and ANSF accountability. PRT projects have ranged from small scale village projects in areas recently 'cleared' by Afghan and ISAF forces through to AusAID's four-year 'Children of Uruzgan' health and education program.⁹

7.5 DFAT informed the committee that the PRT's efforts had been 'critical in creating a broader political environment in which transition can be progressed'.¹⁰

Reconstruction

7.6 The ADF has engaged in development assistance involving a wide range of reconstruction projects through the PRT, the Australian led Reconstruction Task Force, the Mentoring Reconstruction Task Force and more recently the Mentoring Task Force. Since 2006, ADF personnel have worked on many reconstruction works in Uruzgan including civil, community, education, and administration buildings, health facilities and transport infrastructure. They include the construction of the Tarin Kowt Waste Management Facility; the Sorgh Morghab Mosque; the Malalai Girls' School; the Tarin Kot Boys' School; the Ministry of Energy & Water Compound; the Dorofshan Basic Health Care Centre; the Eastern Causeway; Sajawul Crossing and Zabul Bridges.¹¹ According to Defence, these development projects were 'instrumental in changing life in Uruzgan' with the Trade Training School a notable example. Defence cited one Afghan instructor at the school who told Australian soldiers:

Before, there wasn't any local work but now it is changing and there are local jobs. The school is good for us and the community benefits from it.¹²

7 AusAID, answer to written question on notice no. 8.

8 Defence answer to written question on notice no. 5(2).

9 *Submission 22*, pp. 3–4.

10 *Submission 22*, pp. 3–4.

11 A comprehensive list is provided in Department of Defence, *Supplementary Submission 17A*.

12 Department of Defence, *Defence Annual Report 2009–10*, p. 56.



Australian 1st Reconstruction Task Force soldiers receive an update from the local contractor on the progress of a new government building during a site inspection. (image courtesy of the Department of Defence)



Australian 1st Reconstruction Task Force soldiers consult with local Afghan contractors about the progress of the eastern causeway bridge. (image courtesy of the Department of Defence)

7.7 It should also be noted that some of the tradesmen who graduated from the school have returned as trainers to deliver training there.¹³ The Foreign Minister also cited the Trade Training School as an example of one of the reconstruction projects aimed at enhancing health, education and other vital infrastructure in Uruzgan.¹⁴

Education

7.8 Much of the reconstruction work in Uruzgan has been directed toward education facilities such as the Trade Training School. The opening of the Malalai Girls' School in Tarin Kowt in August 2011 gave a major boost to the education of girls in Uruzgan. The 21-classroom school took 15 months to build at a cost of US\$1.575 million, and has facilities for up to 700 primary and secondary students. The Uruzgan provincial government and the Uruzgan PRT formed a partnership to build the school with most of the construction work undertaken by Afghan contractors using local labour under direction from ADF engineers.¹⁵

7.9 The 2012 TLO report recorded that residents were 'very pleased' with this large-scale and highly visible school in the centre of Tarin Kowt.¹⁶

7.10 Other encouraging gains evident in the education sector during 2010–2011 included four AusAID funded schools built for 2,300 students and three community resource centres through a program to improve Uruzgan school infrastructure. In 2012, AusAID reported that Australia had funded the building of 205 schools, including 29 schools for girls in Uruzgan.¹⁷ Mr Bernard Philip, who has headed the PRT in Tarin Kowt, informed the committee that, according to estimates, the number of operating schools in the province had increased from 34 in 2006 to over 200 in 2011, a sixfold increase.¹⁸ At the moment, children in Uruzgan are more likely to complete primary education than previously.¹⁹

13 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 21 October 2009, p. 33.

14 Statement by Senator the Hon Bob Carr, Minister for Foreign Affairs, 'Australia's International Development Assistance Program 2012–2013: Helping the World's Poor: Implementing Effective Aid', 8 May 2012, Budget 2012–13, http://www.budget.gov.au/2012-13/content/ministerial_statement/ausaid/html1/ausaid.htm (accessed 11 September 2012).

15 Mr Brendan Sargeant, Department of Defence, *Committee Hansard*, 3 December 2012, p. 49.

16 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 14.

17 AusAID, *Annual Report 2011-12*, pp. 5 and 113.

18 *Committee Hansard*, 3 December 2012, p. 14.

19 AusAID, *Annual Report 2011–2012*, p. 113.



An ADF plumbing instructor assists a Trade Training School student on the first plumbing course. (image courtesy of the Department of Defence)



Three young Afghans display their graduation certificates at the Trade Training School after completing their basic trade qualifications in carpentry. (image courtesy of the Department of Defence)

7.11 The findings of the 2012 TLO provincial profile also noted concrete improvements including the increase of schools and teachers throughout the province. It reported that aside from the 205 schools, there were 1,294 teachers for Uruzgan's 71,920 students. Further that the number of madrassas had more than doubled from eight to 18. Overall, it recorded that provincial school enrolment had jumped from 29 to 39 per cent, a step closer to the national average of about 50 per cent.²⁰

Health

7.12 The provision of health services was another area showing significant progress in Uruzgan due in large part to Australian ODA.²¹ According to AusAID, improved service delivery and capacity building had more than doubled the annual number of health service consultations from 2006 levels.²² Access to healthcare was expanded with the opening of one and reopening of two health care facilities, the construction or renovation of nine others, and the opening of 32 health posts. According to the 2012 TLO report, there were 20 healthcare facilities and 234 health posts in Uruzgan. The number of professional healthcare workers rose by 32 to a provincial total of 145 staff. More women were now using health services and the number of female health workers had increased.²³ In its latest report, AusAID stated that in Uruzgan 80 per cent of pregnant women now received at least one antenatal visit. Mothers had a higher chance of benefiting from skilled birth attendants, minimising risks to them and their newborns.²⁴

Capacity building—training public servants

7.13 The Afghanistan National Development Strategy (ANDS) recognised the important work of PRTs and encouraged the teams 'to assist in the implementation of priority projects through the Provincial Development Plans in line with national priorities'.²⁵ It was expected that, as part of the transition process, PRTs would prepare Afghan authorities to assume responsibility by the end of 2014.²⁶ In 2010 the then CDF told the Legislation Committee that:

It is vital that we go with that enhanced civilian capability because it will enable us to put a lot more effort into the governance line of operation. If

20 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, April 2012, p. x, http://www.tloafghanistan.org/images/PDF_Provincial_District_and_Area_Assessments/2012%20APRIL%20TLO%20Uruzgan%20Report%20Mid%202010_%20End%202011.pdf

21 AusAID, *Annual Report 2010–2011*, pp. 3 and 122.

22 AusAID, *Annual Report 2010–2011*, p. 122.

23 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover, A TLO Provincial Profile*, April 2012, p. xi.

24 AusAID, *Annual Report 2011–2012*, p. 113.

25 Islamic Republic of Afghanistan, *Afghanistan National Development Strategy, 1387–1391 (2008–2013)*, A strategy for Security, Governance, Economic Growth and Poverty Reduction, p. 161.

26 Department of Defence, *Defence Annual Report 2010–11*, p. 64.

you have a look at Afghanistan as a whole, the main issue that we need to confront is the issue of governance.²⁷

7.14 In June 2011, AusAID reported that Uruzgan's provincial administration was very weak and in dire need of trained and qualified public servants. At that time, the number of filled government positions had increased from around 30 per cent in 2009 to over 40 per cent in 2011, but, in AusAID's view, even at the increased levels it was 'very difficult for most departments to function'.²⁸

7.15 One of the key development achievements in Afghanistan during 2010–11 included boosting the capacity of the provincial government by providing literacy, numeracy and administrative training to its officials.²⁹ In April 2011, 38 interns graduated from an AusAID-funded training program in Uruzgan, which was designed to improve the capacity of the provincial government. Managed by the UNDP, the pilot program commenced in May 2010 and aimed to equip the local government with a cadre of young, qualified and professional public servants in response to the large number of government vacancies in the province. The interns were trained in basic-level public administration skills such as public financial management, computing, law, public service ethics and general administration. They also completed on-the-job training in provincial government departments.

7.16 AusAID noted that by June 2011, 16 interns were working in the provincial administration, 21 awaiting confirmation of government appointments, and one joined a non-government organisation in Uruzgan.³⁰ In March 2013, Mr Mark Tattersall, AusAID, informed the committee that 60 per cent of positions in the provincial administration were now filled representing a doubling of staff in around 2½ years.³¹

Infrastructure and land improvement

7.17 During 2010–11 Australia contributed to improving road infrastructure in Uruzgan, including building 5.5 kilometres of road which created over 50,000 labour days of short-term employment for local residents.³² Also, according to AusAID, since 2009 more than 244,000 square metres of contaminated land in Uruzgan and over 638,000 square metres in Khost Province had been cleared with Australian support. Through the provincial and district governors in Tarin Kowt, Chora and Deh Rawud, two thousand tree saplings had been distributed among farmers, schools, clinics, parks and public offices.³³

27 Air Chief Marshal Angus Houston, Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 31 May 2010, p. 20.

28 AusAID, *Annual Report 2010–2011*, p. 123.

29 AusAID, *Annual Report 2010–2011*, p. 123.

30 One of the interns, Abdul Sami, was appointed Director of the Directorate of Electricity and Energy in Uruzgan. AusAID, *Annual Report 2010–2011*, p. 123.

31 *Committee Hansard*, 22 March 2013, p. 29.

32 AusAID, *Annual Report 2010–2011*, p. 123.

33 AusAID, *Annual Report 2010–2011*, p. 122.

Law and order

7.18 According to the AFP at the beginning of 2011, the primary objective of its mission in Afghanistan was to 'train, develop and mentor the ANP in Uruzgan Province'.³⁴ AFP officers were providing basic training and also courses to improve the skills of police supervisors.³⁵ The 28 officers working in Afghanistan were focused on developing the ANP so that its members could ultimately 'assume responsibility for national security'. Specifically, of the 28 officers, 21 were at Tarin Kowt involved in training and mentoring Afghan National Police.³⁶ In 2010, the former CDF, Air Chief Marshal Houston, informed the committee that the police training centre in Tarin Kowt had been set up inside the wire. He explained:

One of the biggest problems for the coalition in Afghanistan is finding sufficient people to do...the institutional training. Our people are doing a sterling job with the *ab initio* training and indeed some other training. They are also doing some higher level post-graduate training within the police training centre. Their whole task is giving these young Afghans the necessary skills and the ethos to do the job out in the province of Oruzgan.³⁷

7.19 As at September 2012, the AFP had trained 2,194 ANP members in the Afghan Uniform Patrolman's Course and 38 Provincial Response Company members in evidence collection at the Provincial Training Centre in Tarin Kowt. The AFP had also trained 212 ANP members in investigation courses and 65 in surveillance courses at the Afghan Major Crimes Taskforce in Kabul. Thirty-nine ANP senior officers had completed leadership programs with AFP instruction at the Police Staff College in Kabul.³⁸ Sixty-one ANP members had undertaken literacy courses. Importantly, six ANP members completed a train-the-trainer course and have returned to the Provincial Training Centre to assume training roles themselves.³⁹

34 AFP, Media Release, 'AFP clarifies its commitment to Afghanistan', 1 January 2011.

35 Chief of the Defence Force, Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 31 May 2010, p. 23.

36 AFP, Media Release, 'AFP clarifies its commitment to Afghanistan', 1 January 2011.

37 Chief of the Defence Force, Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 31 May 2010, p. 22.

38 *Submission 19*, pp. 6–7.

39 AFP, *Annual Report 2012–2011*, p. 39.



AFP member delivering training to ANP members (image courtesy of the AFP)



Group of Afghan National Police on parade (image courtesy of the AFP)



ANP member receiving his certificate following completion of training at the Provincial Training Centre, Uruzgan. (image courtesy of the AFP)

Overall progress

7.20 The 2012 TLO report found that visible progress in socio-economic development and reconstruction had been made throughout the province since 1 August 2010, when the Netherlands formally handed over command of the PRT.⁴⁰ The accounts from the various agencies testify to the advances made in Uruzgan in education, health, building or restoring vital infrastructure and in helping to improve capacity in the local administration and in the ANP.

Ownership and alignment

7.21 It should be noted that the Australian agencies working in Uruzgan drew attention to the efforts they take in the province to engage the local community in projects. Together with DFAT and AusAID representatives, the ADF worked within the PRT to 'develop projects in close consultation with a wide range of stakeholders,

40 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover, A TLO Provincial Profile*, April 2012, p. x.

including Afghan and ISAF partners, provincial and district administration leaders and local communities'. By building relationships with local officials and leaders, the PRT is able to 'facilitate the delivery of stability, governance and development activities at the provincial and district level'.⁴¹

7.22 For example, civilian and military advisers in the PRT meet regularly with the Afghan Government and communities in order to build strong relationships. According to Defence, this direct engagement enabled the construction of roads, schools and other basic infrastructure in the province. By working with local and provincial government officials, the PRT was also able to implement programs to improve governance capacity and facilitate the delivery of basic services such as health and education to the Afghan people.⁴² Air Chief Marshal Houston explained that the ADF needed to work closely with the provincial government to improve its ability to govern within the province, to connect with the officials down at the district level, and to deliver the services required by people in the province.⁴³ As an example, the former CDF referred to the type of small projects delivered by the ADF on a day-to-day basis in response to local needs:

...in one village there was a real problem with water. Our special forces took it upon themselves to deliver a suitable water pump to provide the necessary water to the community...it is all part of our approach at the moment, which is to protect the people, engage the people and basically improve their lives and protect them from the Taliban.⁴⁴

7.23 The relationship that the PRT developed with the local community provided its members with important insights into Uruzgan's political, economic and social landscape. Defence suggested that by 'developing their knowledge of the province's complex tribal and political structures, departmental officers within the PRT were able to make a substantial contribution to reconstruction and development in Uruzgan'.⁴⁵ Mr Philip, DFAT, likewise highlighted the importance of officers finding out what was happening in the local community by meeting and talking with Afghans. He explained:

Over the past couple of years DFAT and AusAID officers in the provincial reconstruction team have been able to travel the length and breadth of the province to get out into some pretty difficult locations, where they have

41 Statement by Senator the Hon Bob Carr, Minister for Foreign Affairs, 'Australia's International Development Assistance Program 2012–2013: Helping the World's Poor: Implementing Effective Aid', 8 May 2012, Budget 2012–13, http://www.budget.gov.au/2012-13/content/ministerial_statement/ausaid/html1/ausaid.htm (accessed 11 September 2012). See also Department of Defence, *Defence Annual Report 2010–11*, p. 4.

42 Department of Defence, *Submission 17*, p. [2].

43 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 31 May 2010, p. 20.

44 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 21 October 2009, p. 34.

45 Department of Defence, *Defence Annual Report 2010–11*, p. 64.

been co-located with military forces, and to really build up a network of contacts of hundreds of tribal leaders to get that sense of what is happening on the ground.⁴⁶

7.24 He gave the example of the Mirabad Valley, where diplomats in the PRT carefully and over a long period of time worked with the local community and, as a result of many meetings and visits to communities and villages, were able to build up a level of trust.⁴⁷ This relationship then created opportunities for AusAID to come in and look at supporting education activity in the Valley through the 'Children of Uruzgan' program. Mr Philip explained:

Through one of AusAID's programs, the small projects facility of Uruzgan, we have seen a number of projects at the community level up and running in the Mirabad Valley which we have never seen before. What this will then lead to is a major project involving the upgrade of a road through the entire length of the Mirabad Valley. That will be completed partly by AusAID and partly by the Australian Defence Force engineers in the PRT.⁴⁸

7.25 Australia played an important role in overseeing the final stages of this challenging project and also funded and constructed a bridge over the river halfway along the road.⁴⁹

Criticism of Australian development assistance to Uruzgan

7.26 While acknowledging the impressive gains made in Uruzgan, a number of independent reports and some witnesses to the inquiry held reservations about the overall effectiveness of Australia's aid program in the province.⁵⁰ They questioned matters such as the sustainability of the achievements, the focus on inputs rather than outcomes, and the possible undermining of aid effectiveness by the military delivering aid.

Managing for results—sustainability

7.27 Despite the military and civilian members of the PRT consulting with local communities about development projects, a number of witnesses were concerned about the extent to which the benefits to the local people would last. Some witnesses were critical that the projects were in effect 'quick fixes'. For example, Mr Antony Loewenstein, an independent journalist who has spent time in Afghanistan, suggested that while there had been some minor benefits for Uruzgan province, they were likely

46 *Committee Hansard*, 3 December 2012, p. 17.

47 *Committee Hansard*, 3 December 2012, p. 17.

48 *Committee Hansard*, 3 December 2012, p. 17.

49 *Committee Hansard*, 3 December 2012, p. 17.

50 *Afghan People's Dialogue on Peace, Laying the Foundations for an Inclusive Peace Process*, December 2011, p.9. Although tangible improvements have been made in Uruzgan, Afghans from the province participating in the People's Dialogue in 2011 'despaired of the conditions in which they live'. They referred to the lack of markets for buying and selling products due to poor roads connecting the districts; unavailability of adequate health care, and the weak education system, including the poor capacity of teachers.

to be 'profoundly fleeting and unlikely to survive once Australia pulls out'.⁵¹ One major concern was the capacity of the community or the government to cover operational costs and to maintain facilities.

7.28 Importantly, the authors of the 2011 *Independent Review of Aid Effectiveness* reported that in their travels to Uruzgan, they were told that the focus of Australian aid had shifted from 'vertical infrastructure' (schools) to 'horizontal infrastructure' (roads) because 'a large number of schools had been built with aid funds, but not used'.⁵² Furthermore, the 2012 TLO report noted that:

The demographic and numerical breakdowns of student enrolment, gender, and facility, reveals little about the overall quality of education provided. A local NGO representative noted, 'The new school buildings alone do not make it better if everything else like teachers, training, materials, and payments are lacking'.⁵³

7.29 Despite positive indicators, it recorded that local residents expressed concern with the lack of properly qualified teachers and the resulting poor quality of education.⁵⁴ One representative from an international NGO described the quality of education and teachers as 'bad', noting further that there was a lack of materials—in his words most of the new schools were 'white elephants'.⁵⁵ The report was also deeply concerned about the number of girls attending school. It found:

Overall only 7% of school-aged girls are enrolled in school and most are forced to leave school when they reach puberty, often as early as 10 years of age. Only a small number complete high school and none of 2011's female graduates wrote the Kankor University Entrance Exam that was held for the first time in Uruzgan in 2011.

7.30 The TLO concluded that female literacy was at 'a seemingly impossibly low 0.6 per cent of the population' and that more targeted efforts were required to ensure that women could complete their education.⁵⁶

7.31 It should be noted that AusAID provided the committee with a table from the Afghanistan Ministry of Education that recorded the following figures for Year 12 graduates in Uruzgan:⁵⁷

51 *Committee Hansard*, 4 December 2012, p. 30.

52 *Independent Review of Aid Effectiveness*, April 2011, p. 284.

53 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 20.

54 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 20.

55 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 20.

56 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. xi.

57 Answer to question on notice no. 1 from 22 March 2013 hearing.

Figure 7:1: Year 12 graduates from 2010 to 2012⁵⁸

1389/2010			1390/2011			1391/2012		
Male	Female	Total	Male	Female	Total	Male	Female	Total
410	12	422	289	12	301	430	16	446

7.32 Along similar lines about the effectiveness of aid in Uruzgan, Professor Howes referred to the ADF's heavy focus on infrastructure and concerns that roads may not be maintained and schools may lack teachers.⁵⁹ He stated:

...if it is done directly by the Australian government there is no guarantee that there is going to be the ongoing funding to provide the teacher or to maintain the road, whereas if you go through a national program there is a budget process and there are better odds that there will be maintenance and that there will be teachers provided.⁶⁰

7.33 To his mind, sustainability should be an overriding objective with matters around operational requirements and maintenance receiving major consideration.⁶¹

7.34 Professor Howes also doubted the effectiveness of building capacity in the local administration. He understood the connection between having Australian troops operating in Uruzgan and the presence of AusAID staff and civilian core staff in the province to provide development assistance and mentoring. He was sceptical, however, about the mentoring and whether it would have any effect at all because of the huge cultural and knowledge gaps. He noted the massive turnover of staff and political problems, and formed the view that Australian support to the Uruzgan government was 'of very limited value'.⁶²

Dynamics of local politics—patronage networks

7.35 A number of witnesses were concerned that in highly insecure areas, assistance could be more of a destabilizing than stabilizing influence because of the reality and/or perception of aid fuelling corruption and generating conflict over its distribution.⁶³ According to Dr Bizhan, ethnicity has been highly politicised in Afghanistan over the past three decades and therefore most of the political movements

58 AusAID, answer to written question on notice no. 1 following 22 March 2013 hearing. AusAID's answer provides statistics for all provinces in Afghanistan, see appendix 4.

59 *Submission 14*, pp. 13–14.

60 *Committee Hansard*, 4 December 2012, p. 18.

61 *Committee Hansard*, 4 December 2012, p. 16.

62 *Committee Hansard*, 4 December 2012, pp. 17–18.

63 See for example, *Submission 20*, p. 4.

that came into being during the years of conflict have been dominated by a certain ethnic group.⁶⁴

7.36 Uruzgan is no exception. The local power dynamics in the province are very complex and can be traced back to population policies originating in the 18th century and which continue today.⁶⁵ For example, Uruzgan was inhabited predominately by the Hazara ethnic group who were expelled in two separate waves—one in the late 18th century and the other in the late 19th century—and now constitute an estimated 8 per cent of the provincial population.⁶⁶ In 2010, the TLO report observed that:

Provincial government in Uruzgan needs to be seen as monopolized by pro-government (Popalzai) strongmen, who increase their own power and that of their tribe by practising a policy of marginalizing members of the former Taliban regime (or those associated with them) and weakening other power holders by excluding them from access to political positions and economic opportunities.⁶⁷

7.37 According to author and researcher, Mr Phil Sparrow, ethnic conflict has also contaminated working relationships between Hazara and Pashtun police officers in some districts, leading to widespread desertions. As an example, he referred to the 60 trained ANP in Khas Uruzgan, where only 10 were left. He also reported that parts of Uruzgan were still under militia control and the loyalty of the militia to the government was poor or non-existent.⁶⁸

7.38 In this context of leadership struggles between powerbrokers and changing alliances, a number of witnesses raised concerns about the potential for Australian aid to favour particular individuals.⁶⁹ Professor Howes and Mr Pryke stated that it would appear that aid most often, including in Uruzgan where Australian efforts were concentrated, 'fails to achieve its strategic objectives because the aid is itself tainted and ineffective'. They reasoned that if aid 'is seen as going to people who are "cruel and unjust"', it would not succeed in changing attitudes'.⁷⁰

64 Answer to written question on notice, no. 3.

65 There are no reliable statistics on the various ethnic groups in Afghanistan. See Dr Bizhan, answer to written question on notice, no. 3. Afghanistan's constitution identifies the following ethnic groups in Afghanistan: Pashtun, Tajik, Hazara, Uzbek, Turkman, Baluch, Pashai, Nuristani, Aymaq, Arab, Qirghiz, Qizilbash, Gujur, Brahwui and others.

66 TLO, *Three Years later; A socio-political assessment of Uruzgan Province from 2006 to 2009*, 18 September 2009, pp. 3–4.

67 TLO, *The Dutch Engagement in Uruzgan: 2006 to 2010*, August 2010, p. 28.

68 Phil Sparrow, *In it for the long haul? Delivering Australian aid to Afghanistan*, ACFID Research in Development Series Report no. 1, March 2011, pp. 16–17.

69 Mr Jim McMurchy also noted that some projects have seen 'the military support (tacit or otherwise) of some fearsome warlords and their militia, as an extra layer of security or promise of safe passage on the roads', *Submission 18*, p. [2].

70 *Submission 14*, p. 17.

Matiullah Khan

7.39 Professor Maley, who has travelled to and written extensively on Afghanistan, also noted that providing aid may have the unintended consequence of 'empowering particular local actors at the expense of others'. He reasoned that this situation could develop where those delivering aid become too closely associated with one political figure among others engaged in fierce competition in the same area. In his view, this had to some extent developed in Uruzgan, where the relationship between Australia and the provincial police chief Matiullah Khan was 'arguably an unhealthy one'.⁷¹ At one stage, Mr Khan was reported to be 'head of a private army' that earned 'millions of dollars guarding NATO supply convoys and fought Taliban insurgents alongside American Special Forces'.⁷² In August 2011, the Afghan Ministry of Interior announced his appointment as Uruzgan Provincial Chief of Police.

7.40 Dr Bizhan made a similar observation about particular individuals profiting personally from aid. He noted that in some provinces, 'instead of building functioning local institutions, resources have been channelled to individual players who were protecting NATO convoys and their logistic roots' and cited Matiullah Khan in Uruzgan.⁷³ According to Dr Bizhan, while Mr Khan kept his own militia, he became 'a source of distrust among the local tribes' and 'undermined the credibility of the government':

Though he helped to consolidate stability in the short-term, in the long run this approach compromised institution-building.⁷⁴

7.41 Defence described the context and nature of its relationship with Mr Khan. It noted that during its time working in Uruzgan, Mr Khan headed the Kandak Amniant Uruzgan (KAU), a private security organisation which provided contracted security in some parts of Uruzgan for the Ministry of Interior. It explained that as part of ISAF efforts to help stabilise Afghanistan, Australian forces regularly engaged with a wide range of tribal and community leaders in Uruzgan in an inclusive and impartial way. Defence stated:

In this setting, Matiullah Khan is one of many influential figures that Australians have engaged. Australia works with such individuals in a way

71 *Submission 4*, p. [4].

72 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 90.

73 *Submission 13*, p. 5.

74 *Submission 13*, pp. 5–6. The TLO Profile noted the appointment of 'strongman Matiullah Khan as Provincial Chief of Police and the security gains under his leadership', TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. xiv.

to ensure that their influence is used positively, in support of governance and security in Uruzgan.⁷⁵

7.42 Since becoming the Chief of Police, Matiullah Khan, in his official capacity, has engaged with Australian officials including the Special Operations Task Group which mentors Uruzgan's Afghan National Police Provincial Response Company—Uruzgan (the PRC-U).⁷⁶

7.43 It should be noted that influential individuals such as Mr Khan are highly important figures in the communities with which aid agencies must engage. Mr Loewenstein noted, however, that many Western powers, including Australia, have chosen not only to deal with such people but to empower, fund and arm them.⁷⁷

Fuelling future rivalries

7.44 Professor Maley spoke of the danger of inadvertently laying foundations for a new kind of conflict within Uruzgan after 2014 that is distinct from the wider security challenge that the province faces because of the Taliban insurgents coming in from sanctuaries in Pakistan. He explained that the Dutch kept an arms-length relationship with Matiullah; were more focused on balancing their dealings with people from different and tribal backgrounds; and probably had a shrewder appreciation of the political complexities as compared to the Australians. He explained that from the Australians' point of view, Matiullah's great strength was his ability to keep open the road from Kandahar to Tarin Kowt, which allowed the easy resupply of Australian forces.⁷⁸ According to Professor Maley, if foreign forces get too close to a controversial local individual, the message conveyed to Afghanistan is 'not a happy one' with the consequence of a possible major future conflict in the province.⁷⁹ He concluded:

There may be short-term benefits for international actors who cooperate with figures such as Matiullah, but there can be long-term costs as well—and it is likely to be ordinary Afghans who pay them, especially if the main legacy of the international presence turns out to be a predatory, extractive warlord.⁸⁰

75 Department of Defence, Defence statement to ABC Four Corners program 'In Their Sights', 5 September 2011, dated 6 September 2011, <http://news.defence.gov.au/2011/09/06/defence-statement-to-abc-four-corners-program-in-their-sights-5-september-2011/> (accessed 7 January 2013).

76 Department of Defence, Defence statement to ABC Four Corners program 'In Their Sights', 5 September 2011, dated 6 September, 2011, <http://news.defence.gov.au/2011/09/06/defence-statement-to-abc-four-corners-program-in-their-sights-5-september-2011/> (accessed 7 January 2013).

77 *Committee Hansard*, 4 December 2012, p. 31.

78 *Committee Hansard*, 4 December 2012, p. 9.

79 *Committee Hansard*, 4 December 2012, p. 9.

80 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 90.

7.45 Dr Bizhan also noted the importance of Australia being aware of, and sensitive to, the recent and complex history of armed conflict and rivalry among different local strong men and actors.⁸¹ He spoke of the influence of such men, empowered through transactions or contracts, who have the final say. Referring specifically to Matiullah Khan, he stated:

In terms of securing the transportation of convoys, what has happened is that they granted huge contracts to this man. Using that amount of money, he supported his own militia to protect the route or provide security. The cost of this process was to undermine local institution building in Uruzgan because, for most people, he was not the governor or chief of police—though now he is chief of police—but it was him who was playing a major role. These grievances or complicated politics widened the gap between local institutions and the local communities, which the insurgents—the Taliban—skilfully use for their own benefit.⁸²

7.46 In Dr Bizhan's words, Mr Khan 'has the money patronage and is redistributing it'—he is 'shaping and reshaping the whole dynamics in the province'.⁸³ He explained that Mr Khan belongs to one tribe and by becoming powerful 'has isolated the other rival groups in the same province especially in the south where rivalry among tribes is a common factor'.⁸⁴ According to Dr Bizhan, very prominent scholars were saying that some such war lords were empowered through foreign aid. He informed the committee that the government, international donors, and as indicated by some reports, Australia as well, have favoured Mr Khan. Dr Bizhan acknowledged that Mr Khan had helped to improve security in the short term, but shared the concerns of other witnesses about the long term consequences in Uruzgan beyond 2014.⁸⁵

Managing complex power relations

7.47 Dr Bizhan referred to weak institutions in Afghanistan, explaining that for this reason, donors must be cautious when working with an individual who can manipulate the whole system. He noted that in Uruzgan, the priority to deliver projects with quick outcomes on the ground led agencies to ignore local power dynamics and bypass the national institutions, which ultimately encouraged an unhealthy relationship to develop in the long term.⁸⁶ He suggested that the rules should be very clear when engaging with such people, arguing that there should be:

- equal political participation, which is mentioned in Afghanistan's constitution; and
- continuous monitoring.

81 See Dr Bizhan, answer to written question on notice, no. 3.

82 *Committee Hansard*, 4 December 2012, p. 24.

83 *Committee Hansard*, 4 December 2012, p. 24.

84 *Committee Hansard*, 4 December 2012, p. 24.

85 *Committee Hansard*, 4 December 2012, pp. 23–24.

86 Answer to written question on notice, no. 3.

7.48 Finally, he suggested that resources should not be used to isolate one player or another player. Overall, he was of the view that there should be 'a complex mechanism of correct, accurate information, expertise, monitoring mechanisms and accountability'.⁸⁷

7.49 Professor Maley noted the difficulty obtaining the required level of understanding of local power politics 'unless one exploits the skills and expertise of Afghans and international personnel who have spent considerable amount of time in the country'. He referred to the frequent turnover of Australian military and civilian personnel that did not allow such expertise to develop. In his view, it was unfortunate that Australia had lost the opportunity of gaining expert insight from the TLO.⁸⁸

7.50 In this regard, AusAID had engaged the TLO, an Afghan NGO registered with the Afghan Ministry of Economy, to undertake research and report on various aspects of Australia's aid program in Uruzgan. AusAID maintained that poor performance on the part of the TLO prompted it to terminate its contract with the NGO. The TLO disputes AusAID's assertions that it had consistently missed deadlines including ones that had been extended.⁸⁹ It should be noted that the TLO has produced a number of substantial reports, including ones that have provided the committee during its inquiry with valuable insight into many aspects of development assistance in Uruzgan (see bibliography at end of report).

7.51 Professor Howes and Mr Pryke also noted the limited time that agency officials spend in the field. In their view, the difficulty understanding the complex social, cultural and demographic relationships was especially severe in Uruzgan because of the heightened security conditions and the limited time and access that officials have in the province.⁹⁰

Conclusion

7.52 Australian development assistance to Uruzgan has produced tangible benefits from reconstruction work or restoration of important infrastructure (schools, health clinics, roads, bridges) to helping the provincial government develop a cadre of trained and professional public servants. Some witnesses expressed reservations about the effectiveness of this aid suggesting that some projects were 'quick fixes' and not sustainable. In some cases, the aid may have undermined local ownership and alignment with community priorities by supporting particular individuals. The committee supports Dr Bizhan's suggestion that Australian agencies should take the greatest of care to ensure that there is equal participation from among the community in the planning, designing and implementation of aid projects. Evidence also

87 *Committee Hansard*, 4 December 2012, p. 25.

88 Answer to written question on notice, no. 2.

89 See TLO, *Submission 7*. The TLO informed the committee that the contract termination 'may have been somewhat unfortunate given that it cost around 130 Afghan employees (a majority based in Uruzgan province) their jobs and life subsistence'.

90 Answer to written question on notice, no. 6.

underlines the importance of understanding the dynamics of the local patronage network.

7.53 One particular concern with Australia's work in Uruzgan, however, was the civil/military component of aid, which the committee deals with in the following chapter.



The construction site of the eastern causeway bridge in Tarin Kowt, one of many projects designed and project managed by the Australian 1st Reconstruction Task Force. (image courtesy of the Department of Defence)

Chapter 8

Civil/Military development assistance

8.1 In Afghanistan, Australia's strategic approach to aid involves 'interlinked diplomatic, development and military elements'.¹ Australia's mission brings together the work of these three elements with the aim to:

- train an Afghan National Army (ANA) brigade in Uruzgan province to assume responsibility for security;
- help to train the Afghan National Police (ANP) to assist with civil policing functions in Uruzgan; and
- strengthen the ability of the Afghan Government to deliver basic services and to assist with capacity building in Uruzgan, so that the provincial administration can in time also assume responsibility for civil roles.²

8.2 In the previous chapter, the committee described the combined effort of DFAT, AusAID, ADF and the AFP in Uruzgan, particularly as members of the Uruzgan PRT. While considering the positive results achieved through Australian aid to date in Uruzgan, the committee also looked critically at some elements of the effectiveness of this aid. The committee now turns to look at concerns raised about the military's dual role in Uruzgan as combatants and as part of the reconstruction team and the implications that ADF's engagement in delivering assistance has for aid effectiveness.

Winning hearts and minds

8.3 In 2010, an evaluation by the Afghan Ministry of Finance noted that an added complication to the effective delivery of aid stemmed from the widely held assumption among policy-makers and practitioners that development assistance could serve as a 'soft power' tool to promote stability and security in Afghanistan. It found that this assumption:

...results in aid flow largely for protection of military interests through hearts and minds win of people, argued to be required for promotion of security.³

8.4 AID/WATCH termed the military's engagement in such activities as the 'militarisation of aid'.⁴ It saw this mode of delivering assistance as part of a broader

1 AusAID, *Australia's strategic approach to aid in Afghanistan 2010–2012*, December 2010, p. 3.

2 AusAID Afghanistan, <http://www.ausaid.gov.au/countries/southasia/afghanistan/Pages/home.aspx#aid> (accessed 10 September 2012).

3 Islamic Republic of Afghanistan, Ministry of Finance, *Joint Evaluation of the Paris Declaration: Phase 2: Islamic Republic of Afghanistan*, 2010, Baawar Consulting Group, p. 8.

4 *Submission 23*, p. [1–2].

trend to use international development aid as a 'soft power' tool of foreign policy.⁵ According to AID/WATCH, Western donors in Afghanistan have directed significant components of their aid budget to winning the 'hearts and minds' of local people in areas in which its military forces are operating.⁶ Professor Howe and Mr Pryke explained that where the strategic objective is to win hearts and minds through development assistance, the essential aim is 'to undermine insurgency and build support for the existing, but threatened, government and/or its international allies'.⁷ Under the inquiry's terms of reference, the committee is not required to consider in detail Australia's military combat role in Afghanistan. The ADF, however, became actively involved in non-combat activities in Uruzgan intended to assist local people to improve their situation, which was part of the broader counterinsurgency mission.

Australia's counterinsurgency strategy in Uruzgan

8.5 Although significantly weakened, the Taliban did not formally surrender after their defeat in 2001 and by 2005 there were troubling signs that their remaining members and other extremist groups were reorganising.⁸ Australia's military involvement in Afghanistan, which had fallen to a few staff officers in headquarters, picked up again in September 2005 with the deployment of a Special Operations Task Force.⁹ According to Major General Peter Cosgrove:

Late in 2005 and early 2006, the pacification campaign in Afghanistan was faltering and it was decided by Australia and a number of other countries that they had to beef up the forces in Afghanistan. Being in on the ground floor, so to speak in 2001, it was natural that Australia would provide a bigger contingent the second time around.¹⁰

8.6 Since 2006, the ADF has not only been actively engaged against the Taliban, but has been working through its Mentoring and Reconstruction Task Force with the people and Afghan security forces to deliver better services.¹¹

5 *Submission 23*, p. [1].

6 *Submission 23*, p. [1].

7 *Submission 14*, p. 15.

8 See for example, United Nations, General Assembly, Security Council, A/56/100–S/2002/737, 11 July 2002, paragraph 61. United Nations, General Assembly, Security Council, A/60/224–S/2005/525, 12 August 2005, paragraph 60 and 'SAS put on the squeeze', *Army The Soldiers' Newspaper*, 28 March 2002, <http://www.defence.gov.au/news/armynews/editions/1047/story02.htm> (accessed 15 October 2012).

9 *Submission 16*, p. 13.

10 *Asia Pacific Defence Reporter*, 'The Australian Army has certainly evolved a very strong COIN doctrine', Exclusive Interview with General Peter Cosgrove, 1 September 2010 <http://www.asiapacificdefencereporter.com/articles/78/The-Australian-Army-has-certainly-evolved-a-very-strong-COIN-doctrine> (accessed 30 August 2012).

11 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 21 October 2009, p. 34. See paragraphs 7.7–7.8 of this report.

8.7 When Australia took charge of the Uruzgan PRT in August 2010, the ADF was presented with increased opportunity to engage in construction projects in the province.¹² Indeed, the announcement of Australian leadership foreshadowed a significant escalation in Australia's overall contribution to development work in Uruzgan and ushered in a new phase of Australia's engagement in the province. The then Minister for Defence explained that Australia's larger part in the PRT was vital to the entire Coalition's efforts in Uruzgan—the heart of its counterinsurgency effort.¹³ He noted that PRTs were:

...key to delivering the 'build' part of ISAF's counterinsurgency strategy of 'shape, clear, hold and build'. By mentoring and assisting local officials, and by supporting economic and infrastructure development, the PRT helps extend the reach of the Afghan Government in Uruzgan, and win the hearts and minds of the people. The PRT is fundamental to the stabilisation efforts across the province and the eventual transition of responsibility to Afghan authorities.¹⁴

8.8 In this regard, Mr Brendan Sargeant, Defence, made clear that the ADF's construction and development work 'complements its efforts to develop security across Uruzgan'. The development activities help to create a safe environment in which the ADF is able to conduct operations, which is a key part of the ADF strategy in Uruzgan. He explained:

Development projects help to build relationships and goodwill with the local population, increasing support for both the ADF and Australian civilian agencies in Afghanistan.¹⁵

8.9 There is no doubt that the ADF's reconstruction work on the ground in Uruzgan has achieved impressive results. In 2010, local feedback to the TLO found that:

Due to their more visible and hands-on approach, going out to build schools and clinics, they [ADF] are generally considered to be 'more serious' and productive when it comes to both development and security. This leads to the overall perception that the Australian military is best about delivering what they promise, and best about monitoring their projects. This exemplifies that sometimes 'small is beautiful' as the Australians overall do less projects than the Dutch, but their visibility and quality control gives them a lot of credit.¹⁶

12 *Submission 17*, p. [2].

13 Senator the Hon John Faulkner, Minister for Defence, Ministerial Statement on Afghanistan, 23 June 2010 and Senate *Hansard*, 23 June 2010, p. 4185.

14 Senator the Hon John Faulkner, Minister for Defence, Ministerial Statement on Afghanistan, Senate Debates, 23 June 2010, <http://www.openaustralia.org/senate/?id=2010-06-23.158.2> (accessed 3 December 2012).

15 *Committee Hansard*, 3 December 2012, pp. 48–49.

16 TLO, *The Dutch Engagement in Uruzgan: 2006 to 2010*, August 2010, p. 53.

8.10 Even so, this 'winning the hearts and minds' policy: this mixture of combat and development activities drew criticism. Thus, while Uruzgan shows tangible signs of benefitting from development assistance delivered through the combined civilian-military-police effort, a number of reports, supported by evidence from witnesses, identified a potential down side to the military engagement in delivering aid.

Blurred perceptions

8.11 The 2009 TLO report recorded that when the NATO-mandated Dutch troops, supported by a significant contingent of Australians, took command of Uruzgan PRT in August 2006, they entered a 'charged political minefield'—a deeply divided and polarized environment.¹⁷ At the time, the TLO observed:

The operations of international forces, often perceived (rightly or wrongly) as heavy handed and culturally offensive by the local population, has added water to the mill of insurgents' propaganda. The fact that international forces are perceived as having made a number of wrongful arrests over the last years as a result of incorrect or manipulated intelligence has also contributed to a general feeling of discontent that insurgents have been quick to capitalize upon.¹⁸

8.12 The report found that this perception had 'led some communities and their leaders to withdraw support from the Afghan Government and/or seek active engagement with the Taliban'.¹⁹ With regard to the ADF, the TLO observed:

The local population mostly perceives a contradiction between the more 'hands off' Dutch approach of 'reconstruction where at all possible, military action where necessary' and the more aggressive counter-terrorism stance of the Americans troops. Australians are in between, supporting both Dutch development efforts as well as providing Special Forces to the American-led contingent in capture and kill missions.²⁰

8.13 Some argued that associating military aid with development assistance not only created confusion in the minds of the local population but also influenced their attitudes toward aid. For a number of witnesses, the problem, however, went way beyond simply blurred understandings to actual behaviours that compromised the delivery of aid.

Counterinsurgency objectives

8.14 Professor Maley, who described Uruzgan as a pretty tough province, was of the view that the Australian military had done some very good work there in terms of skilling local elements of the population and in construction activities in Tarin Kowt.²¹

17 TLO, *Three Years Later: A socio-political assessment of Uruzgan Province from 2006–2009*, 18 September 2009, p. 16.

18 TLO, *The Dutch Engagement in Uruzgan: 2006 to 2010*, August 2010, p. 50.

19 TLO, *The Dutch Engagement in Uruzgan: 2006 to 2010*, August 2010, p. 50.

20 TLO, *The Dutch Engagement in Uruzgan: 2006 to 2010*, August 2010, p. 50.

21 *Committee Hansard*, 4 December 2012, p. 9.

He suggested, though, that there was very little evidence indicating that developmental activity would win a political dividend for the Afghan Government or its international backers. In his view, this was due in part to Afghans rationally aligning themselves politically 'not on the basis of gratitude for what has been done for them in the past, but rather on the basis of what alignments are likely to protect their interests in the future'.²² Indeed, he concluded that if a province or region remains unstable, the fruits of reconstruction spending may prove negligible in the long run.²³

8.15 Nonetheless, the overall major concerns about the military providing development assistance related to its potential to undermine aid effectiveness.

Effectiveness

8.16 A number of witnesses questioned the extent to which the military's direct involvement in delivering aid made a positive contribution to development. Save the Children, Oxfam and World Vision referred to a growing body of research that questioned the effectiveness of development assistance implemented by military actors. It cited a 2010 study by a number of aid agencies, *Quick Impact, Quick Collapse: The Dangers of Militarized Aid in Afghanistan*, which reported:

...military institutions often lack the capacity to effectively manage development initiatives, and are unable to achieve the level of local trust, engagement and community ownership required to achieve positive and lasting improvements.²⁴

8.17 Mr Denis Dragovic, who is familiar with working in conflict areas, wrote that there was no basis for claims suggesting that improved development outcomes had been achieved 'as a result of closer integration on the ground between civilian and military personnel'. He stated further:

The unnecessary extension of the whole-of-government concept to the coal face in a way that includes the establishment of PRTs and Australian Civilian Corps personnel being seconded or integrated into military units is largely driven by a misguided idea that cost and operational efficiency across all levels equates to improved developmental results.²⁵

8.18 In particular, some witnesses referred to aid in Uruzgan as short-sighted, 'quick fix' projects that address immediate tactical concerns without due consideration to longer term consequences—schools without teachers or materials.²⁶

22 *Submission 4*, p. [4].

23 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 91.

24 *Submission 6*, p. 12. The study was Ashley Jackson, *Quick Impact, Quick Collapse: The Dangers of Militarized Aid in Afghanistan*, Oxfam International et al, 2010, p. 1.

25 *Submission 2*, pp. 2–3.

26 See *Submission 18*, p. [2], *Submission 23*, p. [1] and paragraphs 7.27–7.34.

Distribution of aid

8.19 By the very nature of its combat role, the military tend to be concentrated in areas of perceived, potential or actual insecurity. Professor Maley observed that aid funds have a tendency to follow the military. He explained:

This is a product of combining a 'whole of government' philosophy of integrated operations with a military effort on the ground in Afghanistan that is focused on counter-insurgency in unstable parts of the south and east. The result (quite apparent, for example, in Australia's involvement in Oruzgan) is that aid funds can be channelled into the least stable parts of the country, with the intention of reinforcing military achievements with reconstruction activity.²⁷

8.20 Professor Maley referred to this situation as a 'moral hazard' problem, which could arise easily if developmental activity were designed to complement the efforts of the military. Local people then gain the impression that the way to get project funding 'is to create an atmosphere of ambient *insecurity*'.²⁸ He observed:

The risk is that areas in which ordinary Afghans have done their best to produce local security will be neglected by aid agencies, and that this will send the signal that the way in which to secure aid money is to generate local insecurity.²⁹

8.21 He also spoke of the uneven distribution of support on the ground that does not necessarily reflect variations in need among the many PRTs in Afghanistan due to the resources expended by the respective forces. As an example, he noted that US-led PRTs had been generously supported by US aid funds unlike the Romanian and Lithuanian PRTs. As smaller and less wealthy countries, Romania and Lithuania were simply not able to marshal resources on a comparable scale.³⁰

8.22 Mr Jim McMurchy, who has visited Afghanistan four times over the last five years, was similarly concerned with the military absorbing and tying aid projects to their PRTs as part of the counterinsurgency strategy. In his view, this practice blurs the line between humanitarian aid and military assistance:

27 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 91.

28 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 91 (emphasis in original).

29 *Submission 4*, p. [4] and *Committee Hansard*, 4 December 2012, pp. 9–10.

30 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 91.

Such aid projects tend to be short sighted projects, located in the areas of greatest insurgency to gain the 'hearts and minds' of the local population in an attempt to lure them from the fear or attraction of the insurgents.³¹

8.23 AID/WATCH, one of a number of NGOs highly critical of the military's 'winning hearts and minds' approach, also referred to the problem of military aid causing distortions in the allocation of assistance towards regions experiencing conflict.³² It stated that while militarised aid could advance the short-term tactical goals of the military, in the long term it 'tended to intensify conflicts associated with the war in Afghanistan'.³³

8.24 Some witnesses, including AID/WATCH, were concerned that projects may not only produce immediate, quick-fix benefits but detract from the important long-term development objectives or humanitarian matters. It noted that by favouring projects that support the security objectives of ISAF, military aid displaces poverty-oriented projects thereby overshadowing the 'goals of poverty alleviation, self-determination and human rights'.³⁴ It argued:

The mandate, for instance, to reduce the incidence of poverty gets undermined by the relationship that the aid agency is required to construct with the military in order to deliver the aid.³⁵

8.25 PRTS were singled out for this type of criticism.³⁶ Save the Children, Oxfam and World Vision drew on a body of research suggesting that 'militarised aid' tended to focus on winning hearts and minds rather than on poverty alleviation and may prove ineffective.³⁷ It cited a report that found:

As political pressures to 'show results' in troop contributing countries intensify, more and more assistance is being channelled through military actors to 'win hearts and minds' while efforts to address the underlying causes of poverty and repair the destruction wrought by three decades of conflict and disorder are being sidelined.³⁸

8.26 Mr Poulter spoke of the focus on stabilisation and strengthening of government, which, although understandable, could divert attention from the humanitarian crisis in Afghanistan for example the large numbers of displaced people.³⁹

31 *Submission 18*, p. [2].

32 *Submission 23*, p. [1].

33 *Submission 23*, p. [1].

34 *Submission 23*, p. [2].

35 *Committee Hansard*, 4 December 2012, p. 46.

36 *Submission 23*, p. [2].

37 *Submission 6*, p. 12.

38 *Quick Impact, Quick Collapse, the Dangers of Militarized Aid in Afghanistan*. This paper is paraphrased from a speech given by Kai Eide to the UN Security Council on 3 January 2010.

39 *Committee Hansard*, 4 December 2012, p. 36.

8.27 It is important to note that the ADF does not receive money from AusAID. Any funds spent by the ADF on development assistance is not ODA money allocated to the ADF rather the ADF uses its own funds and resources when delivering development assistance.⁴⁰

Local institutions

8.28 In Dr Bizhan's view, the military approach of winning hearts and minds in Afghanistan had undermined institution building and state and society relations. He gave the example of where a local community approaches a military general who accedes to its request for important infrastructure such as a bridge. Dr Bizhan argued that this military response to a community's request 'distorts the relationship between the local government and the local community'. He explained that when there is a problem with the project, the local community will take it to the local government. According to Dr Bizhan, this 'quick fix' practice ignores local institutions and is not a viable approach for Afghanistan. He reasoned that bypassing local institutions removes opportunities to build capacity and is not part of an exit strategy—it is more like a counterinsurgency approach.⁴¹ AID/WATCH also referred to military development assistance creating greater barriers to community participation in decision-making processes.⁴²

Risk of attack

8.29 Dr Bizhan also noted that while the military were looking to contribute some visible outcomes to win the hearts and minds of locals, those visible outcomes could also become visible targets for the insurgents.⁴³ Mr Poulter shared this concern that school buildings constructed with military aid could be more susceptible to attack than those built by NGOs or by the communities themselves with support from civil society.⁴⁴ Professor Maley similarly observed that if the military were engaging in construction one day and in combat activities the next day:

...the real danger would be that the school that they may have been building on the first day will end up being burnt down by the insurgents because they see it as something which symbolises the activities of the military.⁴⁵

8.30 Mr Loewenstein acknowledged that in certain areas some Western forces have provided positive outcomes but, from his experiences and conversations with NGO and foreign NGO workers, he learnt that military aid carries danger. He explained that a lot of the established health centres:

40 *Committee Hansard*, 22 March 2013, pp. 18 and 20.

41 *Committee Hansard*, 4 December 2012, p. 25.

42 *Submission 23*, p. [1].

43 *Committee Hansard*, 4 December 2012, p. 24.

44 *Committee Hansard*, 4 December 2012, p. 41.

45 *Committee Hansard*, 4 December 2012, p. 9.

...were not very well frequented because of the sense that if someone sees you going into that centre, whether or not you support the occupation, the fear is that it is a very tribal culture and that people are worried that they would suffer a consequence of doing so.⁴⁶

8.31 Save the Children, Oxfam and World Vision also noted that 'militarised aid' could put beneficiaries at 'risk of attack'.⁴⁷ A more recent study came to the same conclusion finding that 'poorly conceived aid projects aimed at winning "hearts and minds" have proved ineffective, costly, and have sometimes turned beneficiary communities into targets of attack'.⁴⁸ In addition, aid workers are exposed to the same dangers.⁴⁹

Risk to non-military aid organisations

8.32 The TLO Profile noted that some aid organisations raised concerns about Australian military forces directly participating in development activities, which blurred the civilian-military lines and potentially placed other non-military related organisations at risk.⁵⁰ This observation has relevance for PRTs. The TLO reported several NGOs indicating that they 'tried to stay away from the PRT as much as possible, even seeing the location of the airstrip inside the PRT as an easy way to tarnish a neutral image'.⁵¹ It also mentioned that some NGOs were frustrated with the unwillingness of international military forces to coordinate with NGOs.⁵²

8.33 A number of witnesses shared this concern about the military delivering aid and spoke forcefully about the dangers it posed to aid workers operating in the same area.⁵³ Professor Maley noted:

Many aid agencies are working cheek-by-jowl with military forces, and face the expectation that their humanitarian and development work will complement the security-building activities of the security sector.⁵⁴

46 *Committee Hansard*, 4 December 2012, pp. 30–31.

47 *Submission 6*, p. 12. AID/WATCH also voiced concern about risks to the safety of communities as projects are drawn into existing conflicts and become targets. *Submission 23*, p. [1].

48 *Submission 6*, p. 12. The quote taken from Oxfam, *Whose Aid is it Anyway? Politicizing aid in conflicts and crises*, 124 Oxfam Briefing Paper—Summary, p. 2.

49 *Submission 6*, p. 12.

50 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 13.

51 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 13.

52 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 13.

53 *Submission 6*, p. 12; *Submission 23*, p. 1.

54 *Submission 4*, p. [4].

8.34 He explained that a lot of Afghans will not easily distinguish between military personnel who are engaging in a building project or in the protection of NGOs doing development work. Mr Loewenstein noted that in an environment where the military are delivering aid to local communities, 'NGOs and soldiers become indistinguishable, a danger to the former'. According to Mr Loewenstein:

Resistance to the Australian presence will only deepen in the coming years if we both deliver aid while at the same time conduct destructive and futile night raids against supposed insurgents.⁵⁵

8.35 Mr Dragovic also highlighted the problems created by the cohabitation and overt collaboration between military and civilian personnel, which, in his view, exposed the 'majority of foreign aid workers, current and future, to unnecessary harm'.⁵⁶ AID/WATCH similarly voiced concerns about risks to the safety of aid workers as projects are drawn into existing conflicts and become targets.⁵⁷ It was also concerned about what it perceived as the 'progressive narrowing' of the humanitarian space.⁵⁸ Dr James Goodman argued that:

...the humanitarian space is a space in which the aid agencies exist and which they rely upon. If that humanitarian space is in any way undermined then their mandate [to reduce the incidence of poverty] is undermined and very directly the security of their people on the ground is undermined and so is the effectiveness of the aid. The aid is tainted by its political associations. So the humanitarian space is crucial for the effectiveness of any aid program so that it does not get contradicted by what may be seen as political goals.⁵⁹

8.36 NGOs that share this space also gave evidence before the committee. Mr Poulter, CARE Australia, noted that people in areas where the military is delivering development assistance sometimes perceive NGOs as part of a general 'Western effort', which includes military aspects.⁶⁰ He stated that this situation 'can place our staff at risk on the field':

...as a humanitarian organisation we are there to respond based on need alone, to try and work independently of the different armed actors and to negotiate access to the areas to assist the most affected. In a situation where there are military assets in an area there can sometimes be that challenge, that you will be seen to be along with them. That is why we have a policy around not working closely with provincial reconstruction teams, for example.⁶¹

55 *Submission 8*, p. 1.

56 *Submission 2*, p. 2.

57 AID/WATCH, *Submission 23*, p. [1].

58 Mr Bryant, *Committee Hansard*, 4 December 2012, p. 43.

59 *Committee Hansard*, 4 December 2012, p. 46.

60 *Committee Hansard*, 4 December 2012, p. 36.

61 *Committee Hansard*, 4 December 2012, p. 41.

8.37 The committee notes and understands that neutrality is vitally important to NGOs providing development assistance and humanitarian aid.⁶²

8.38 Dr Bizhan noted that the militarisation of aid in Afghanistan has 'been one of the major challenges for development actors and foreign aid actors in Afghanistan'.⁶³ He did note, however, that there were areas where the government did not have mechanisms to deliver aid or where development actors could not reach but where military actors could provide assistance. He submitted that even though such military aid made development actors a little sceptical, that kind of contribution should be appreciated.⁶⁴

8.39 In its submission, the Australian Civil-Military Centre suggested that the military and police must, in their planning, take into account that NGOs and other actors may be providing similar support and that locals may perceive them as having intentions associated with the military. It stated further that military and police should be careful to distinguish their assistance from that of humanitarian and development workers, so as not to put such workers at risk of being seen as part of, or supporting, the military and police.⁶⁵

Defence's perspective on civil-military relations in Afghanistan

8.40 Defence responded to the concerns that the ADF's 'win hearts and mind' strategy overrode long-term development objectives. Mr Sargeant explained that the ADF engaged in range of operational undertakings—fighting and stabilisation activities—some of which, as part of a broader ISAF counterinsurgency strategy, included the provision of aid projects. He accepted that they were likely to be tactical because they would be conducted quickly on the spot in response to local situations. This approach was in contrast to long-term capacity-building development programs of the sort that AusAID would do. According to Mr Sargeant, the ADF was in Afghanistan primarily to support the development of the country's security by training the ANA 4th Brigade. As part of that, the ADF involved itself in a range of activities including support for AusAID and the provision of some projects categorised as development. He stated:

The criticisms make sense from one set of perspectives but they also, in a sense, do not recognise the nature of the ADF mission and what it is actually doing. It is very important to recognise that the ADF is not an aid-delivery organisation in its primary mission. It has the capacity to do some things which can be categorised as aid or project development because it has those skills and capabilities.⁶⁶

62 See for example, Professor Howes and Mr Pryke, *Submission 14*, p. 13.

63 *Committee Hansard*, 4 December 2012, p. 24.

64 *Committee Hansard*, 4 December 2012, p. 24.

65 *Submission 21*, p. 5.

66 *Committee Hansard*, 3 December 2012, p. 55.

8.41 Mr Sargeant also informed the committee that the ADF was aware of the potential for military operations to compromise aid programs and that its personnel worked with AusAID and international humanitarian organisations to try to ensure that ADF's activities did not put aid workers in danger. He told the committee that Defence adheres to international guidelines developed for the use of military and civil defence assets to support humanitarian organisations in complex operations.⁶⁷ He explained that the ADF tries to reduce the level of risk to non-combatants and to ensure that innocent people are not caught up in the conflict. Even so, he noted:

One of the difficulties in this conflict is that it is a civil war and that the enemy will exploit circumstances to try to persuade or coerce parts of the population to either not cooperate with the government or to support them. That is one of the unfortunate things that happen. In our approach to it we try to avoid or minimise that happening, but it is part of the nature of the conflict.⁶⁸

8.42 Mr de Groot explained that while Caritas agencies have very clear mandates separate from those of the military forces in country, there is open and transparent communication between them on all facets of safety.⁶⁹

Committee's previous consideration

8.43 The committee gave detailed consideration to civil-military engagements in its 2008 report on Australia's involvement in peacekeeping. It recognised that the failure to establish effective and appropriate civil-military relations not only created inefficiencies but could also have more serious consequences for the mission. The committee's findings on the ADF's involvement in development assistance have changed little from 2008.

8.44 Clearly, the complex foreign policy space in which stabilisation and development operations occur brings different pressures on the relationship between humanitarian and security agencies. The committee recognises the critical role of the ADF in creating a secure environment and the important work of aid agencies in providing assistance in conflict-affected countries such as Afghanistan. Together the military and civilian agencies create the conditions necessary for rebuilding a state.

8.45 In some instances, due to the level of security risk or the lack of existing infrastructure, the military may be the only, or the most able, organisation in a position to provide humanitarian relief or development assistance. The committee considers it appropriate that the ADF use available resources, including the military's material and logistical resources and the skills of its members where required, to meet local needs.⁷⁰ It also only makes sense for the military to try to build good, solid relations with, and to assist where possible, the people it is protecting.

67 *Committee Hansard*, 3 December 2012, p. 52.

68 *Committee Hansard*, 3 December 2012, p. 52.

69 *Committee Hansard*, 4 December 2012, p. 54.

70 See Senate Standing Committee on Foreign Affairs, Defence and Trade, *Australia's involvement in peacekeeping operations*, August 2008.

8.46 Nonetheless, it is clear that when engaged in humanitarian or development work, the ADF needs to appreciate and respect the concerns of NGOs, and be especially sensitive to the importance they attach to neutrality and impartiality. On the other hand, NGOs need to understand the reasons the military becomes involved in delivering assistance. Mutual understanding and close liaison based on regular consultation, joint planning and training would help the ADF and NGOs to resolve tensions. On a practical level, these would also encourage a more economical, efficient and better-targeted use of resources.⁷¹

Evaluation

8.47 AID/WATCH argued that the extent to which problems with military aid apply to Australian assistance was unclear due to 'a lack of transparency' in aid delivered by the ADF.⁷² In this regard, the committee asked Defence whether it had assessed its development assistance and its effect on the safety of aid workers or those intended to benefit from the aid. Mr Sargeant indicated that he was not sure whether the ADF had undertaken such an evaluation.⁷³

Committee view

8.48 The ADF has been deeply involved in delivering development assistance in Afghanistan since 2006. The committee believes that the Australian Civil-Military Centre has a clear and important role in assessing, evaluating and reporting on Australia's civil-military-police activities in conflict-affected countries. Australia's engagement in Afghanistan reflects a heavy commitment of personnel and funds to help Afghanistan become self-reliant, yet it appears that it has undertaken little research on the effectiveness of its integrated civil-military mission in Uruzgan. The committee believes that the lack of research and analysis is a significant weakness, especially in light of the seriousness of the concerns raised in a number of reports and by witnesses to this inquiry, including NGOs operating in Afghanistan.

Conclusion

8.49 The committee recognises that many organisations and individuals remain concerned about the ADF's involvement in providing development assistance in Afghanistan. As in 2008, the committee is convinced that greater attention should be given to civil-military engagements of this nature in order to better understand the effect of the ADF's involvement in delivering aid, how to mitigate any adverse consequences and build on the positive.

8.50 The committee believes that Australia's mission to Afghanistan, especially its pivotal role as leader of the Uruzgan PRT, warrants a comprehensive and independent evaluation to determine its strengths and weaknesses. The Australian people deserve to have a much better understanding of the work undertaken by Australians in

71 See Senate Standing Committee on Foreign Affairs, Defence and Trade, *Australia's involvement in peacekeeping operations*, August 2008.

72 *Submission 23*, p. [2].

73 *Committee Hansard*, 3 December 2012, p. 52.

Uruzgan. Clearly, it is well overdue for the Australian Civil-Military Centre to undertake or commission such a review. With this in mind, the committee makes the following recommendation.

Recommendation 1

8.51 The committee recommends that the Australian Civil-Military Centre undertake a comprehensive review of Australia's civil-military-police mission in Uruzgan Province that includes taking submissions from NGOs, local NGOs and civil society organisations working in the province. The scope of the review to include whether, or to what extent, the ADF's involvement in delivering development assistance in Afghanistan has:

- **served counterinsurgency objectives;**
- **affected sustainable development by having short-term, tactical objectives;**
- **influenced the distribution of development assistance with more funds directed to insecure areas;**
- **diverted development effort away from poverty alleviation;**
- **placed facilities built with military aid, and those using them, at increased risk from attack by anti-government forces; and**
- **undermined the perceptions of NGOs as neutral and impartial thereby placing the safety of their aid workers at greater risk.**

8.52 The committee also believes that it is important for the review to consider whether Australian development assistance had any role in empowering local individuals in Uruzgan and, if so, the lessons to be learnt from it.

8.53 The committee now turns to consider a number of specific projects in Afghanistan that have drawn particular criticism.

Chapter 9

Case Studies

9.1 In this chapter, the committee considers some specific projects that have attracted criticism including the AliceGhan resettlement facility, the Australian Leadership Awards Scholarships program for Afghanistan and more generally the whole-of-government arrangement for providing assistance to Afghanistan.

AliceGhan

9.2 As part of its resettlement program in Afghanistan, the Department of Immigration and Citizenship (DIAC) provided US\$7.2 million to the UNDP for a housing project named AliceGhan. The project commenced in September 2006 following the signing of a record of understanding between the governments of the Islamic Republic of Afghanistan and the Commonwealth of Australia.¹ AusAID provided \$1.75 million to the project in 2006 but AliceGhan remained under DIAC's management.²

9.3 Located approximately 45–50 kms north of Kabul, AliceGhan was to provide housing, public services and infrastructure for vulnerable returnee families.³ Additionally, through 'a pilot approach', the project was intended to improve the sustainability of the settlement and the lives of its residents. This project was to place increased emphasis on community and economic development through the provision of vocational training and employment opportunities.⁴

9.4 DIAC informed the committee that the settlement's location was determined in close consultation with, and on the recommendation of, the Afghan Government.⁵ The project, however, encountered several difficulties including setbacks in the identification of an appropriate site, mine clearance and resolution of a dispute over

1 See Islamic Republic of Afghanistan, United Nations Development Programme Afghanistan, AliceGhan, Project ID 00051619.

2 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 16 February 2012, p. 153 and AusAID, answer to written question on notice no 16.

3 The name AliceGhan derives from a combination of 'Alice Springs, a city in Australia which has a strong connection with Afghan migrants' and 'Afghanistan' symbolising the partnership and commitment of Australia and Afghanistan to realise the resettlement project. See explanation given in UNDP, Urban Development Group Programme, AliceGhan Project Document, Annual Work Plan of 2009. See also United Nations Development Programme Afghanistan, *Annual Project Report [2007] [AliceGhan Project]*, September 2006–December 2008, p. 5.

4 See Islamic Republic of Afghanistan, United Nations Development Programme Afghanistan, AliceGhan, Project ID 00051619 and United Nations Development Programme, Afghanistan, AliceGhan, 2nd Quarter Project Progress Report, 2009.

5 DIAC, answer to question taken on notice no. 4.

land ownership, which delayed the starting date.⁶ The water supply in particular caused problems that required extended budget and implementation planning and the re-design of the water supply system.

9.5 Following resolution of several key issues, the project got underway, including construction activities, which commenced during mid-2008 allowing steady progress to be made.⁷ Towards the middle of 2009, however, the issue of land and water rights re-surfaced with the Qarabagh Shura re-iterating and elaborating its demands regarding the ownership of land, access to water and the selection of Qarabagh residents as beneficiaries.⁸ The Government of Afghanistan was to lead efforts to resolve the matters.

9.6 The construction of houses in AliceGhan was completed in December 2009 and the settlement handed over to the Afghan Government. DIAC explained that it had agreed to fund further initiatives to enable the settlement to reach its full potential, which included building boundary walls for each dwelling and employment generation and vocational training projects. Despite the project being officially completed, unfinished jobs, including the establishment of sustainable water infrastructure, blocked the implementation of further initiatives at AliceGhan.⁹

9.7 A temporary arrangement was put in place consisting of bringing water in by tankers, but as no permanent water supply solution had been found, people were unwilling to settle there. Thus, while the full capacity of the AliceGhan project had been planned for 1,525 families, the occupancy rate remained very low at around 25 per cent of the total capacity.¹⁰

9.8 DIAC explained that the Afghan Government was working with the local Afghan authorities to resolve the land dispute. In February 2012, DIAC informed the Senate Legal and Constitutional Affairs Legislation Committee of the low occupancy rates. The department indicated that it monitored developments with the project and had CARE conduct an assessment—a gaps analysis—relating to what was needed to rectify problems with AliceGhan. DIAC stated that it continued to liaise with the Afghan Government to encourage it to try to resolve outstanding matters, such as the land disputes and access to a sustainable water supply. The department indicated that there were no on-going costs.¹¹

6 United Nations Development Programme, Afghanistan, AliceGhan, 2nd Quarter Project Progress Report, 2009, p. 4.

7 United Nations Development Programme, Afghanistan, AliceGhan, 2nd Quarter Project Progress Report, 2009, p. 4.

8 United Nations Development Programme, Afghanistan, AliceGhan, 2nd Quarter Project Progress Report, 2009, p. 4.

9 *Submission 9*, p. 5.

10 Nassim Majidi, 'Urban Returnees and Internally Displaced Persons in Afghanistan', Middle East Institute, January 2011, p. 11.

11 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 13 February 2012, pp. 103–104.

9.9 In December 2012, DIAC officers told the committee that the water supply had still to be resolved before all residents could be accommodated and that work continued on securing a water source with some progress being made towards that objective.¹² According to Mr Leahy from CARE, the situation had reached something of an interregnum and that obtaining a water supply and a number of other related issues were out of the hands of the Australian Government, the UN and CARE and that the relevant authorities in Afghanistan must tackle the problem.¹³ DIAC recently informed the committee that its Principal Migration Officer in Kabul had worked closely with the Afghan authorities and the UNDP towards achieving a viable permanent water infrastructure solution. It noted that a potential well site had been located near the settlement and the UNDP was undertaking water potability and reliability testing to determine its viability.¹⁴

9.10 One observer, Mr Nassim Majidi, suggested that the AliceGhan project provided an example of ineffective planning on a land allocation scheme. In his assessment, the project foundered mainly because of:

- distance: a poor location too far from work in Kabul;
- lack of opportunities: a proper feasibility study was not done in AliceGhan; and
- lack of basic infrastructure—inappropriate housing designs and a failure to secure running water which naturally affects well-being, health and learning potentials for children of school age.¹⁵

9.11 When asked whether DIAC had undertaken an assessment of the circumstances around the decision to build AliceGhan, DIAC officers informed the committee that they were not sure whether an evaluation had been carried out.¹⁶ Although funded partially by AusAID, when asked about the project, the agency indicated the program was managed by DIAC and questions should be directed to that department.¹⁷ It should also be noted that AusAID provided technical advice to DIAC on 'general developmental issues and considerations for implementing such a project, including procurement and risk management issues related to construction activities (eg governance arrangements and financial management systems)'.¹⁸ The UNDP produces a regular progress report but AusAID has not published any review or report on its role in the project.

12 *Committee Hansard*, 3 December 2012, pp. 29–30.

13 *Committee Hansard*, 4 December 2012, p. 41.

14 Answer to written question on notice, no. 4, p. 5.

15 Nassim Majidi, 'Urban Returnees and Internally Displaced Persons in Afghanistan', Middle East Institute, January 2011, p. 11.

16 *Committee Hansard*, 3 December 2012, p. 30.

17 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 31 May 2012, p. 86.

18 AusAID, answer to written question on notice no 16.

Committee view

9.12 The committee understands that the location of AliceGhan was decided on the advice and recommendation of the Afghan Government. Even so, it would appear that Australian aid agencies, particularly DIAC as the lead agency, did not seek any independent advice or carry out due diligence on the suitability of the site and of land and water rights. Of greater concern, however, is the subsequent failure by DIAC or other relevant agencies including DFAT and AusAID to investigate formally the circumstances around the project's planning and decision-making. The committee believes that Australian government agencies missed an ideal opportunity to learn from and record the lessons to be learnt from this project.

Tarin Kowt Waste Water Facility

9.13 The ADF initiated, designed, built and funded the Tarin Kowt Waste Water Facility at a cost of approximately US\$1.3 million.¹⁹ The 2012 TLO report noted that the sewage treatment plant built on the outskirts of Tarin Kowt provided an unfortunate example of where inadequate consideration was given to management capacity and sustainability. It stated:

While the plant itself is described as 'beautifully constructed', it is not operational because there are simply no adequately trained local staff to ensure its operation.²⁰

9.14 AusAID informed the committee that the facility has been handed over to the Tarin Kowt Municipal Government; that USAID had provided technical assistance to the municipal government; and the facility was now treating waste from the municipality.²¹ Since 2011, AusAID has contributed \$2 million to an USAID program that supports activities in the Tarin Kowt municipality, which includes support for the Tarin Kowt Waste Water Facility.²² There appears to have been no evaluation of this project, especially around sustainability—the important issues of the operation and maintenance of a completed project.

Visa applications for visiting Afghans

9.15 In December 2012, Professor Maley explained to the committee that, in the previous March and with the support of both AusAID and DFAT, the Australian National University (ANU) held a very successful workshop. Funded generously by AusAID, the workshop focused on the challenges associated with holding the next phase of elections in Afghanistan.²³ Professor Maley explained, however, that three of the four Afghan invitees, who had been selected by the university in close cooperation

19 AusAID, answer to written question on notice no. 15.

20 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 42.

21 AusAID, answer to written question on notice no. 15.

22 AusAID, answer to written question on notice no. 15 and additional answer to question taken, no. 8, following 22 March 2013 hearing.

23 *Committee Hansard*, 4 December 2012, p. 1.

with AusAID and DFAT, did not receive visas from DIAC in time to attend the workshop.²⁴

9.16 One of the invitees—a visiting fellow at the Free University of Berlin—received his visa the day after the workshop concluded. Another, a staff member of the Asia Foundation responsible for coordinating election assistance, lodged an application approximately six weeks before the workshop but did not receive a visa. Professor Maley explained that when DIAC was asked about progress on this visa application, the department requested the Asia Foundation to provide information already contained in the original application. The Foundation was left with the strong impression that the application had been lost. The chief electoral officer for Afghanistan was the third person invited to attend the conference and not to receive a visa in time to attend the workshop.

9.17 Given that the intention was to ensure that Australia could have access to top Afghan specialists in areas relevant to the transition process, Professor Maley could not fathom the reasons for the delay in granting the visas. To his mind, however, the failure to do so suggested that there was a real problem. Certainly, it seemed to Professor Maley that DIAC was 'running its own foreign policy'.²⁵

Australian Leadership Awards Scholarships

9.18 Professor Maley also raised concerns about processes relating to the Australian Leadership Awards Scholarships program for Afghanistan. In his view, the scholarships provide opportunities for the best and brightest of Afghan society to study in Australia and were a way to build a solid platform for Afghanistan's future. Based on his experience, however, deficiencies in administering the program could potentially harm Australia's reputation and were 'unfortunate for people in Afghanistan who in good faith have applied for scholarship support'.²⁶

9.19 According to Professor Maley, an applicant for the scholarship, Mr Niamatullah Ibrahim, is a remarkable man who holds a Bachelor of Science degree with honours in international relations from the London School of Economics. He has a contract from Hurst and Co. in London for the publication of his first book on Afghanistan. Currently he is the chair and co-director of a non-governmental organisation in Afghanistan called Afghanistan Watch.

9.20 Mr Ibrahim applied for an Australian Leadership Award in March 2012, which was accompanied by strong endorsements from his referees, Professor Maley and Professor the Hon Gareth Evans AC QC. Mr Evans has been Chancellor of the Australian National University since January 2010 and is President Emeritus of the Brussels-based International Crisis Group. He was Australia's Minister for Foreign Affairs between 1988 and 1996.²⁷ In his reference, Mr Evans wrote:

24 *Committee Hansard*, 4 December 2012, p. 1.

25 *Committee Hansard*, 4 December 2012, pp. 1–2.

26 *Committee Hansard*, 4 December 2012, p. 2.

27 See website, <http://gevans.org/> (accessed 12 December 2012).

I am writing to commend the work of Mr Niamatullah Ibrahim, one of the brightest young Afghan analysts of his generation. Not only has Mr Ibrahim demonstrated outstanding research, analytical and writing skills but for the last decade has proved an articulate and tireless advocate on often forgotten issues of human rights despite challenging circumstances for such work in Afghanistan.²⁸

9.21 Before Mr Ibrahim applied for the scholarship to fund his further studies, the ANU had already completed his admission to a doctor of philosophy program.

9.22 At that time, GRM International was the contractor and the development assistance facility for Afghanistan responsible for the administration of scholarship programs. Before the application was lodged, the company's scholarship manager in Kabul informed Professor Maley that Mr Ibrahim did not need to have his degree from the London School of Economics certified by the Ministry of Higher Education in Kabul. Professor Maley conveyed this advice to Mr Ibrahim and also informed the scholarship manager that he had done so. Subsequently, however, the GRM office informed Mr Ibrahim that he had not been shortlisted for interview because his degree certificate had not been verified by the Afghan higher education ministry. Professor Maley spoke to the scholarship manager who confirmed that Professor Maley had discussed the matter of the certification requirement with him.

9.23 GRM International also informed Mr Ibrahim that he did not have sufficient leadership potential. But, according to Professor Maley, the scholarship manager informed him that he [the manager] had made a mistake in his advice to Mr Ibrahim, which was that there had been four applicants with similar names and the wrong feedback had been given to one of them. Mr Ibrahim was then interviewed.

9.24 By November 2012, however, AusAID had temporarily suspended the process of awarding scholarships to allow time for the completion of a review of the program. Professor Maley sought clarification about the suspension from AusAID and received an email from the director of the Afghanistan section which stated that the process had concluded and that no Afghan fellows were selected for the intake. It went on:

I can also advise that Afghan candidates were notified of their unsuccessful applications in September by GRM (then managers of our Development Assistance Facility for Afghanistan).²⁹

9.25 Mr Ibrahim had received no such communication.

9.26 On 23 November, AusAID wrote to Professor Maley in an email explaining that its managing contractor had confirmed the names of those who were advised by letter in September that their applications had been unsuccessful. The e-mail stated further:

28 *Committee Hansard*, 4 December 2012, p. 2.

29 *Committee Hansard*, 4 December 2012, p. 3.

Although Mr Ibrahimi should have been advised, he was not. We will rectify this ourselves immediately by contacting Mr Ibrahimi directly to explain the situation.³⁰

9.27 At the time of the committee's public hearings on 4 December 2012, Mr Ibrahimi had still not been informed.³¹

9.28 Highly dissatisfied with the way in which Mr Ibrahimi's application was processed, Professor Maley was left with a number of outstanding questions and has serious doubts about the administration of this program in Afghanistan. He noted:

There are of course 18 aid based AusAID staff in Afghanistan, and I would say a train wreck was beginning to take shape in July. I am wondering what kind of oversight responsibilities the aid based AusAID staff have in Afghanistan for these kinds of programs or whether it is a kind of fire-and-forget approach to what is being done by contractors.³²

9.29 To Professor Maley's mind, a situation had developed in which:

...a significant amount of money will have been spent in Afghanistan in 2012 in a process that ultimately resulted in no students being awarded scholarships because the process of administration was suspended, as is identified on the AusAID website.³³

9.30 He queried the advisability of suspending scholarship processes in the middle of a scholarship round rather than between rounds. In his opinion:

It is poor public diplomacy to invite people to spend their time filing applications, only then to leave them with the impression that those applications have not been taken seriously.³⁴

9.31 Wary of multiple contracting because of the inherent risks, Professor Maley sought to understand why AusAID was not directly administering the scholarship recruitment rather than a Brisbane-based company.³⁵ He did note, however, that Australia had been, in his judgement, a less obsessive user of multiple subcontractors than, for example, the United States. The handling of the Development Assistance Facility for Afghanistan, however, has made him question AusAID's use of contractors.³⁶

9.32 In January 2013, Professor Maley provided the committee with an update on Mr Ibrahimi's application. He referred to the e-mail of 23 November 2012 in which AusAID had informed him that the process for the current intake had concluded; that

30 *Supplementary submission 4A*, p. [1].

31 *Committee Hansard*, 4 December 2012, p. 3.

32 *Committee Hansard*, 4 December 2012, p. 4.

33 *Committee Hansard*, 4 December 2012, p. 4.

34 *Supplementary Submission 4A*, paragraph 6.

35 *Committee Hansard*, 4 December 2012, p. 8.

36 *Committee Hansard*, 4 December 2012, p. 8.

Mr Ibrahimimi should have been advised of his unsuccessful application and would be notified. But Mr Ibrahimimi was not advised until 21 December 2012 when he received the following email from AusAID:

I am contacting you to inform you that on this occasion your application for an Australian Leadership Award was unsuccessful. As you know, the selection process is very competitive, with a high number of applications.

AusAID are contacting you directly because a review of the records indicated that you had not been previously contacted with this advice. This was an oversight, and we would like to offer our apologies.³⁷

9.33 To Professor Maley's mind, one reading of this email would appear to suggest that Mr Ibrahimimi's application was properly assessed but found to be uncompetitive. Professor Maley held strong doubts that this could be the case, surmising instead that Mr Ibrahimimi was 'simply caught up in a blanket suspension of the Afghanistan program'. He stated further:

If, however, the application was individually assessed but viewed as uncompetitive, then I would have the gravest doubts about the quality of AusAID's assessment process.³⁸

9.34 Professor Maley informed the committee that on 18 December 2012, Mr Ibrahimimi was advised that he had been selected to receive a 2013 Endeavour Postgraduate Award (PhD) to undertake doctoral studies in Australia. The Department of Industry, Innovation, Science, Research and Tertiary Education administers this program, which it describes as 'the Australian Government's internationally competitive, merit-based scholarship program providing opportunities for citizens of the Asia Pacific, the Middle East, Europe and the Americas to undertake study, research and professional development in Australia'. Mr Ibrahimimi was the only applicant from Afghanistan to receive a 2013 Endeavour Postgraduate Award.³⁹

9.35 In Professor Maley's view, Mr Ibrahimimi's ability to secure an even more exclusive Endeavour Scholarship provided clear proof of the man's outstanding capabilities as attested by his referees and noted above.⁴⁰ Dr Bizhan also referred to the poor management of the Australian scholarships through GRM International in 2012. In his opinion, the shortcoming in this program indicated 'a poor state of coordination among potential scholarship awardees, the Australian government, and the company'. He concluded that while coordination between the Afghan and Australian governments was sound, this was not so among the Australian government and Australian companies inside Afghanistan.⁴¹

37 *Supplementary submission 4A*, p. [1].

38 *Supplementary submission 4A*, p. [1].

39 *Supplementary submission 4A*, p. [1].

40 *Supplementary submission 4A*, p. [1].

41 Answer to written question on notice no. 2.

Allegations of fraud

9.36 Surprisingly, AusAID informed the Senate Foreign Affairs, Defence and Trade Legislation Committee on 14 February 2013 that it was 'certainly aware of allegations of fraud in the program.' The Director General AusAID, Mr Peter Baxter, told the committee during a public hearing that the Australia Awards program in Afghanistan had been suspended in August 2012 because of allegations of corruption in the administration of the program. It should be noted that Mr Baxter did not volunteer this information but provided it in response to a direct question about whether the scholarships were being on-sold for profit.⁴²

9.37 Mr Baxter informed the committee that the suspension was in accordance with AusAID's zero tolerance policy towards fraud and that it had commissioned an independent investigation into the allegations. He stated that in December 2012, he raised the matter directly with the Afghan minister for education in Kabul and while that investigation was underway AusAID would not be awarding any new long-term Australian Leadership Awards scholarships to Afghanistan.

9.38 The investigation is being undertaken by an independent audit company, Protiviti. As part of its contractual obligations, GRM International, who was responsible for the program at the time of the alleged fraud, is contracting, at AusAID's instruction, the independent investigator.⁴³ The investigation is expected to be completed in the middle of 2013, when AusAID will consider whether to recommence the program.⁴⁴

9.39 The committee is at a loss to understand why an explanation for suspending the program was not provided to the committee in December 2012 soon after Professor Maley aired his concerns publicly about the program. Moreover, AusAID did not mention any fraud related matters for suspending the program in answer to a follow-up written question on notice from the committee about Professor Maley's concern.⁴⁵

9.40 The committee understands that an independent investigation into the allegations of fraud in the program is necessary, though it is not convinced that the company responsible for administering it should be the one to commission the audit. The committee believes further that AusAID needs to investigate its own conduct with respect to not only the circumstances that led to the program's suspension, but to AusAID's oversight of the program and the poor handling of Mr Ibrahimi's application. It should not be overlooked that he received incorrect advice; was given

42 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 14 February 2013, p. 95.

43 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 14 February 2013, p. 95.

44 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 14 February 2013, p. 95.

45 See AusAID's answer to written question on notice no. 31.

misleading information (including a suggestion that he was uncompetitive); and overall subjected to a process that was highly unprofessional.

9.41 In light of the evidence pointing to serious deficiencies in the administration of the Australian Leadership Awards Scholarships, the committee makes a number of recommendations.

Recommendation 2

9.42 The committee recommends that AusAID conduct its own internal investigation into, and report on, the circumstances around the administration of the Australian Leadership Awards Scholarships for Afghanistan. The investigation to include, but not limited to, AusAID's due diligence; the adequacy of its oversight of the program; its promptness in responding to indications that something may have been amiss, and the reasons for its failure to inform the committee of allegations of fraud when the matter was discussed in December 2012.

9.43 The committee recommends further that, using Mr Niamatullah Ibrahim's experiences as a case study, this investigation also look closely at the processes for communicating with applicants, including the accuracy and timeliness of advice; the transparency of the application and selection process; and the overall level of competence evident in the administration of this program.

The committee recommends that AusAID provide the committee with a copy of the report.

Recommendation 3

9.44 The committee also recommends that AusAID provide the committee with a copy of the report from Protiviti, an independent audit company, following its investigation into the Australian Leadership Awards Scholarships for Afghanistan.

General criticism

9.45 Some reports and evidence criticise more general aspects of Australia's ODA to Afghanistan. For example, the 2012 TLO study noted that in comparison to the Dutch, AusAID was seen as having, 'a complicated and long process to decide on the funding of a project'. In its view, the quick response and action needed for some important small-scale projects was 'now missing in Uruzgan.'⁴⁶ The committee has also mentioned non-specific observations to do with the sustainability of facilities built with Australian funds, schools without teachers, and health clinics not being fully used. The committee cannot, however, identify specific instances to verify these observations, though it notes that analysis, evaluation and reporting on Australia's ODA program to Afghanistan is weak. This matter is discussed in the final chapter.

46 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 12.

Whole-of-government

9.46 From the particular cases discussed in this chapter, the committee suggests that there appears to be scope for better coordination between government agencies. In this regard, it should be noted that Mr John Eyers, who has undertaken a survey of evaluations of Australian aid to fragile and conflict-affected states, found that the effectiveness of Australia's whole-of-government overseas aid is a surprising gap in recent such evaluations. He observed that the whole-of-government approach had received 'little direct attention, and less as the years have passed'.⁴⁷

9.47 As noted previously, the analysis and assessment of Australia's development assistance to Afghanistan is dealt with in the final chapter.

Achievements

9.48 From 2000 to June 2012, Australia's ODA to Afghanistan accounted for over \$710 million. While the committee has drawn attention to areas where Australian aid could have been more effective, the achievements cannot be denied. Many recent studies on Afghanistan preface their work with observations on the progress that Afghanistan has made.⁴⁸ As noted in previous chapters, there have been substantial and 'in some cases, remarkable gains in the country's key development indicators'.⁴⁹ Many evaluations of the country's progress refer to the strides made to advance the health and well-being of the Afghan people, the improvements in infrastructure development and access to water and energy.⁵⁰ Many witnesses similarly acknowledge the improvements in living standards such as increased school enrolments and better access to health services.⁵¹ Caritas observed that the education sector had experienced a number of achievements 'unprecedented in the history of the country', particularly in terms of enrolments:

47 John Eyers, *Aid to fragile and conflict-affected countries: a review of the literature and Australia's approach*, ANU, Development Policy Centre, Discussion Paper 21, July 2012, p. 25.

48 See for example, Asian Development Bank, *Islamic Republic of Afghanistan, Country Assistance Program Evaluation*, 2012, pp. 10–11; IMF, 'Islamic Republic of Afghanistan: Program note', last updated: July 12, 2012, <http://www.imf.org/external/np/country/notes/afghanistan.htm> (accessed 26 October 2012); TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, pp. 13–27.

49 AusAID, *Submission 16*, p. 7 and footnote 51 below.

50 See for example, *Towards Self-Reliance, Strategic Vision for the Transformation Decade*, 2.2 Draft, 12 June 2012, p. 3; UNFPA *Afghanistan*, Annual Report 2010–2011, Introduction; and TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 8.

51 See for example: Save the Children, Oxfam and World Vision Australia, *Submission 6*, pp. 17, 21–22, 26 and 31; Caritas, *Submission 10*, pp. 2–3; ActionAid, *Submission 11*, p. 3; CARE, *Submission 15*, p. 2; AusAID, *Submission 16*, p. 11; Mr Jim McMurchy, *Submission 18*, pp. [1–2]; Lydia Khalil, *Submission 20*, p. [1]; DFAT, *Submission 22*, pp. 3–4.

Today more than 7.3 million children attend primary school compared to 1 million in 2001; 38% or 2.7 million are girls.⁵²

9.49 Indeed, since 2001 Afghanistan has established democratic institutions and ministries, made significant improvements in health care and immunization, reduced maternal mortality, infant mortality and under 5 mortality rates, expanded primary education considerably including for girls, embarked on the construction of roads, transport and communication infrastructure, boosted economic growth, and strengthened its law enforcement and state security forces.⁵³

9.50 Australia can take credit for being part of the community of donors that have over the past decade or so assisted Afghanistan to rebuild its country and rehabilitate its people.

Conclusion

9.51 Despite the positive development gains in Afghanistan, most concede that the people of Afghanistan were still struggling to emerge from decades of conflict and political instability and to meet basic survival needs—food, shelter, education and health. The committee has discussed the main obstacles confronting the Government of Afghanistan and the donor community to rebuild the country—the sheer magnitude of the task, endemic corruption, severe capacity constraint and the ability of the country to absorb the aid effectively, the number of donors and insecurity. The country's security, political stability and government revenue are major problems looming as Afghanistan transitions to a country taking full responsibility for managing its own affairs.

9.52 In the final part of this report, the committee considers Australia's aid effectiveness as Afghanistan moves toward the decade of transformation.

52 *Submission 10*, p. 2.

53 Islamic Republic of Afghanistan, *Millennium Development Goals 2010 Report*, October 2010, p. 7; and Matt Waldman, *Falling Short, Aid Effectiveness in Afghanistan*, ACBAR Advocacy Series, March 2008, p. 2. See also AusAID, *Annual Report 2009–2010*, p. 114 and footnotes 49, 51 and 52 above.

Part III

Transition to Transformation

In November 2010, the member states of NATO meeting in Lisbon announced that the process of transition to full Afghan responsibility and leadership in some provinces and districts in Afghanistan was on track to begin in early 2011.* This period of transition would see Afghanistan take charge of its own security throughout the country.

At the end of 2011, representatives of the international community and the Afghanistan Government assembled in Bonn where they made mutual commitments to work together to make the transition a success. They understood that the process of transition currently underway would come to a close by the end of 2014 and usher in the 'Decade of Transformation'.**

In this part of the report, the committee recognises that, with the assistance of donor countries such as Australia, Afghanistan has made considerable progress in lifting the living standards of its people and stabilising its government. The country, however, remains in need of substantial and continuing aid to help it transition toward self-reliance. There are no doubts that the challenges facing Afghanistan as it moves toward security and economic self-reliance are daunting. In the following chapters, the committee looks at what needs to be done to help Afghanistan ensure that the gains made to date are not lost and that they provide a firm footing on which to secure continuing improvement. It considers the effectiveness of Australia's aid program in light of the anticipated security and fiscal challenges facing Afghanistan in the coming years.

* North Atlantic Treaty Organisation, Lisbon Summit Declaration, 20 November 2010.

** The International Afghanistan Conference in Bonn, 'Afghanistan and the International Community: From Transition to the Transformation Decade', 5 December 2011.

Chapter 10

Security

10.1 Despite poverty, ill health, food shortages and poor education, Afghans cite the lack of security as their 'greatest problem'.¹ Afghanistan's vision is to have a stable Islamic constitutional democracy at peace with itself and its neighbours.² Indeed, the Government of Afghanistan places security as a priority goal and has added 'enhance security' as its ninth global Millennium Development Goal (MDG) in recognition of its critical role in achieving its other objectives.³

10.2 In this chapter, the committee considers the security situation in Afghanistan and its implications for social and economic development as the country continues on its path toward self-reliance.

Transition to Afghan National Security Forces (ANSF)

10.3 In Lisbon in November 2010, the nations contributing to ISAF announced the phased transition of security responsibility from ISAF to the Afghan National Security Forces (ANSF).⁴ The following year in Bonn, the international community recognised the need for it to mobilise and maintain its support for a sustainable ANSF after 2014. Participants pledged to support the training, equipping, and financing of the ANSF and the development of its capabilities beyond the transition period. They registered their intention to continue funding on the understanding that over the coming years their contribution would gradually decline in a manner commensurate with Afghanistan's needs and its increasing capacity to generate domestic revenue. The international community saw a need for a defined, clear vision and for an appropriately funded plan for the ANSF.⁵

10.4 At the Chicago Summit in May 2012, NATO expressed confidence that, as agreed in Lisbon, the phased transition of security responsibility from ISAF to the

1 See UNDP, 'Millennium Development Goals in Afghanistan', http://www.undp.org.af/demo/index.php?option=com_content&view=article&id=62&Itemid=68 (accessed 30 August 2012) and Islamic Republic of Afghanistan, *Afghanistan National Development Strategy 1387–1391 (2008–2013)*, p. 5.

2 Islamic Republic of Afghanistan, *Afghanistan National Development Strategy 1387–1391 (2008–2013)*, p. i.

3 Islamic Republic of Afghanistan, *Millennium Development Goals 2010 Report*, October 2010, p. 12. See also UNDP, Millennium Development Goals in Afghanistan—Afghanistan MDGs Overview, http://www.undp.org.af/undp/index.php?option=com_content&view=article&id=62&Itemid=68 (accessed 2 January 2013).

4 North Atlantic Treaty Organisation, Lisbon Summit Declaration, 20 November 2010.

5 The International Afghanistan Conference in Bonn, 'Afghanistan and the International Community: From Transition to the Transformation Decade', 5 December 2011, paragraph 13.

ANSF was on track and would be completed by the end of 2014.⁶ The objective was to secure substantial international financial funding in order to sustain strong Afghan defence and police forces. The international community agreed to contribute \$4.1 billion per year from 2015 to ensure Afghan security forces would have the resources required to assume full responsibility for the country's security.⁷ This pledge forms the revenue anchor which secures Afghanistan's long-term stability. Australia gave its support.⁸

Australia's contribution to Afghanistan's national security

10.5 Defence stated that Australia's fundamental goal in Afghanistan is to prevent the country from 'again being used by terrorists to plan and train for attacks on innocent civilians, including Australians, in our region and beyond'. It explained that to achieve that objective, Australia, along with its ISAF partners, was helping to stabilise the security situation in Afghanistan and working with the ANSF so that it could take over responsibility for the country's security by the end of 2014.⁹

10.6 Australia is the largest non-NATO contributor to the ISAF mission and has already contributed substantial funds to the transition of the security forces.¹⁰ In 2009, Australia pledged \$200 million dollars to the Afghan National Army Trust Fund and announced in May 2012 that it would contribute \$100 million annually for three years to help sustain the ANSF after 2014 following the international troop withdrawal.¹¹

10.7 In October 2012, the Prime Minister informed Parliament that beyond 2014, Australia would continue to have a national interest in denying international terrorism a safe haven in Afghanistan. It would still be in the national interest to remain part of the broad international effort to support Afghanistan and to ensure the Afghan Government remained an active partner.¹² The Prime Minister reported that there would be a new NATO-led mission after 2014—not for combat, but to train, advise and assist the ANSF. According to the Prime Minister, Australia would make a

6 North Atlantic Treaty Organization, Chicago Summit Declaration on Afghanistan, 21 May 2012.

7 Ms Jennifer Rawson, *Committee Hansard*, 3 December 2012, p. 3.

8 Prime Minister, the Hon Julia Gillard MP, Statement to the House of Representatives—'Progress in transition, preparation for the future', 31 October 2012, <http://www.pm.gov.au/press-office/statement-house-representatives-%E2%80%9Cprogress-transition-preparation-future%E2%80%9D> (accessed 1 November 2012).

9 *Submission 17*, p. [1].

10 Ms Jennifer Rawson, *Committee Hansard*, 3 December 2012, p. 3.

11 *Submission 20*, p. 4; and Prime Minister, the Hon Julia Gillard MP, Statement to the House of Representatives—'Progress in transition, preparation for the future', 31 October 2012.

12 Prime Minister, the Hon Julia Gillard MP, Statement to the House of Representatives—'Progress in transition, preparation for the future', 31 October 2012.

contribution to this mission including through the Afghan National Army Officer Academy'.¹³ This contribution is not eligible to be classified as ODA.

Progress toward the transformation decade

10.8 By June 2012, the third tranche of the transition was underway with all provincial capitals involved in the process. Eleven provinces had entered the phased handover of security responsibilities in their entirety and 75 per cent of the population were living in areas undergoing transition.¹⁴ NATO expected that during 2013, the Afghan forces would be in the lead for combat operations across the country. It stated:

As the Afghan forces step up, our own forces will step back into a supporting role. This will allow us to gradually and responsibly draw down our troops. But we will remain combat-ready until we have completed our ISAF mission at the end of 2014.¹⁵

10.9 At the beginning of 2013, President Karzai and President Obama expected that the full transition of security responsibility to the ANSF would be brought forward to the beginning of the northern spring, a few months earlier than anticipated at the Chicago conference.¹⁶

Transition in Uruzgan

10.10 The transition in Uruzgan started formally in July 2012 with the expectation that it would be completed in 12 to 18 months.¹⁷ Defence informed the committee that as Uruzgan province proceeded through transition, and Australia's commitment became more nationally focused, it was likely the proportion of Defence assistance would shift increasingly to financial contributions to the development of the ANSF.¹⁸

10.11 On 18 October 2012, the ADF assumed command of the Combined Team Uruzgan, which had been under the command of the United States, with the responsibility for operations within the province until 31 December 2014 or until

13 Prime Minister, the Hon Julia Gillard MP, Statement to the House of Representatives—'Progress in transition, preparation for the future', 31 October 2012. See also DFAT answer to written question on notice no. 1.

14 United Nations, General Assembly, Security Council, A/66/855-S/2012/462, Report of the Secretary-General, 20 June 2012, paragraph 13.

15 North Atlantic Treaty Organization, Press Conference, 21 May 2012.

16 The Hon Stephen Smith, Minister for Defence, Transcript, Press Conference, 'Minister for Defence—Press Conference—Perth', 15 January 2013, <http://www.minister.defence.gov.au/2013/01/15/minister-for-defence-press-conference-perth-4/> (accessed 16 January 2013).

17 *Submission 17*, p. [1] and The Hon Stephen Smith, Minister for Defence, Press Release, 'Minister for Defence—Uruzgan province begins transition', 17 July 2012, <http://www.minister.defence.gov.au/2012/07/17/minister-for-defence-uruzgan-province-begins-transition/> (accessed 16 January 2013).

18 *Submission 17*, p. [1].

decided otherwise by ISAF.¹⁹ In the Defence Minister's assessment, it was the appropriate time for Australia to take the leadership role in Uruzgan to help ensure that the transition in the province would be 'effected in a seamless way'.²⁰

10.12 In its new leadership capacity, Australia is largely responsible for assisting the ANA's 4th brigade to assume full control and security responsibility for the province. Defence informed the committee that Australia's Mentoring Task Force and Special Operations Task Group were working with ISAF and the Afghan security forces to accomplish this task within the short 12-18 month period.²¹

10.13 By the end of 2012, all four of the ANSF 4th Kandaks in Uruzgan were operating independently. This development allowed Australian forces to return from patrol activities and mentoring and training in forward operating bases to Australia's main multi-national base in Tarin Kowt. At the beginning of 2013, all advice, assessment and analysis indicated that the transition would be complete in Uruzgan Province by the end of 2013. According to the minister, Australia's status or modus operandi in Uruzgan had changed from mentoring and training to advising.²²

Security in Afghanistan

10.14 Even as the transition period got underway, military hostilities remained one of Afghanistan's most serious concerns and a major constraint on development. The UNHCR noted that despite measures pursued by international and national bodies to promote security and stability, the political situation in Afghanistan continued to be in flux. It described the state of affairs in Afghanistan as 'volatile, with continuing conflict and random violence causing further internal displacement'.²³

10.15 Indeed, armed conflict in Afghanistan incurred a greater human cost in 2011 than in previous years and marked the fifth consecutive year in which UNAMA had recorded an increase in civilian casualties. It documented 3,021 civilian deaths in 2011 in Afghanistan, an increase of eight per cent over 2010 (2,790 civilian deaths) and a 25 per cent increase from 2009 (2,412 civilian deaths). Since 2007 and as at the

19 Prime Minister, the Hon Julia Gillard MP, Statement to the House of Representatives—'Progress in transition, preparation for the future', 31 October 2012.

20 Stephen Smith, Minister for Defence, Media Release, 'Minister for Defence Stephen Smith—Australia ready to lead ISAF Combined Team—Uruzgan (CTU)', 11 September 2012, <http://www.minister.defence.gov.au/2012/09/11/minister-for-defence-stephen-smith-australia-ready-to-lead-isaf-combined-team-%e2%80%93-uruzgan-ctu/> (accessed 18 September 2012).

21 *Submission 17*, pp. [1–2]; *Committee Hansard*, 3 December 2012, pp. 48–49; *Submission 20*, p. [3].

22 The Hon Stephen Smith, Minister for Defence, Transcript, Press Conference, 'Minister for Defence—Press Conference—Perth', 15 January 2013, <http://www.minister.defence.gov.au/2013/01/15/minister-for-defence-press-conference-perth-4/> (accessed 16 January 2013).

23 UNHCR, '2012 UNHCR country operations profile—Afghanistan', <http://www.unhcr.org/cgi-bin/texis/vtx/page?page=49e486eb6> (accessed 18 September 2012).

beginning of 2012, 11,864 civilians had been killed in the conflict.²⁴ In February 2012, UNAMA reported:

The record loss of the lives of Afghan children, women and men resulted from changes in the tactics of Anti-Government Elements and changes in the effects of tactics of parties to the conflict. Anti-Government Elements used improvised explosive devices more frequently and more widely across the country, conducted deadlier suicide attacks yielding greater numbers of victims, and increased the unlawful and targeted killing of civilians. Civilian deaths from aerial attacks by Pro-Government Forces increased in 2011, in spite of a decrease in the number of aerial attacks and an overall decline in civilian deaths attributed to Pro-Government Forces.²⁵

10.16 Although there was a reduction in civilian casualties from armed conflict in 2012, the human cost remained high at 7,559 civilian casualties causing the deaths of 2,754 civilians. The overall figure of civilian casualties included 1,302 children—814 injured and 488 killed.²⁶ UNAMA documented the following breakdown of civilian deaths in Afghanistan in 2011 and 2012:

Date	Number of civilian deaths	By anti-government elements	By pro-government forces	Not attributed
2011	3,021	2,332	410	279
2012	2,754	2,179	316	259

10.17 According to the UN mission, in 2011 conflict and insecurity displaced 185,632 Afghans, an increase of 45 per cent from 2010. It stated further:

Thousands more Afghans lost their livelihoods and property, were denied access to justice, had their right to freedom of movement restricted or taken away, and had their access to food, health care and education compromised. The unremitting toll of civilian casualties coupled with pervasive intimidation affected many civilians directly, and many more indirectly, by fuelling uncertainty, tension and fear.²⁷

24 United Nations Assistance Mission in Afghanistan, *Afghanistan Annual Report 2011, Protection of Civilians in Armed Conflict*, February 2012, p. 1.

25 United Nations Assistance Mission in Afghanistan, *Afghanistan Annual Report 2011, Protection of Civilians in Armed Conflict*, February 2012, p. 2.

26 United Nations Assistance Mission in Afghanistan, *Afghanistan Annual Report 2012, Protection of Civilians in Armed Conflict*, February 2013, pp. 1 and 10.

27 United Nations Assistance Mission in Afghanistan, *Afghanistan Annual Report 2011, Protection of Civilians in Armed Conflict*, February 2012, p. 7.

In 2012, the number of Afghan civilians newly displaced as a result of the armed conflict reached 94,299.²⁸

10.18 Looking ahead, some Afghan experts and Afghans themselves have raised doubts about the capacity of the ANSF to provide security and stability, including the potential for members of the ANSF to shift alliances and the danger of the Afghan Army fragmenting.²⁹ The ADB was of the view that security had been and would continue to be a major issue in Afghanistan:

It is unlikely to improve quickly or greatly and could significantly worsen after most of the foreign troops in the country complete their scheduled withdrawal in 2014.³⁰

10.19 The Afghanistan Research and Evaluation Unit thought it improbable that conflict would end in the next few years. It noted that the Taliban were entrenched and had demonstrated their capacity to endure.³¹ The UN Secretary-General made a similar observation in September 2012:

Little has changed in the underlying dynamics to mitigate a deep-seated cycle of conflict. Furthermore, a diminished international presence will have a significant financial impact in many areas that, at least in the short term, may even exacerbate predatory behaviour with a reduced flow of money encouraging criminality.³²

10.20 The UNHCR concluded likewise:

Insecurity, political instability and economic and social problems are likely to continue in 2012 and may increase as international forces transfer security responsibilities to national partners.³³

10.21 In 2013, the UNHCR continued to report that the security situation in Afghanistan was 'volatile' and obtaining humanitarian access to many areas remained impossible.³⁴

28 United Nations Assistance Mission in Afghanistan, *Afghanistan Annual Report 2012, Protection of Civilians in Armed Conflict*, February 2013, p. 13.

29 *Afghan People's Dialogue on Peace, 'Laying the Foundations for an Inclusive Peace Process'*, December 2011, p. 5. See also Professor Gordon, London School of Economics, Oral Evidence taken before the International Development Select Committee, 3 July 2012.

30 ADB, *Islamic Republic of Afghanistan, Country Assistance Program Evaluation, Independent Evaluation CE-28, 2012-2013*, paragraphs 36, 38 and 92.

31 Afghanistan Research and Evaluation Unit, *Afghanistan Looking Ahead: Challenges for Governance and Community Welfare*, Research briefs for the 2011 Bonn Conference, p. 18.

32 United Nations, General Assembly, Security Council, A/67/354-S/2012/703, 13 September 2012, paragraph 62.

33 UNHCR, '2012 UNHCR country operations profile—Afghanistan', <http://www.unhcr.org/cgi-bin/texis/vtx/page?page=49e486eb6> (accessed 18 September 2012). See also ADB, *Islamic Republic of Afghanistan, Country Assistance Program Evaluation, Independent Evaluation CE-28, 2012-2013*, paragraph 10. The evaluation observed that armed conflict continued and concerns existed that 'security conditions could worsen with the slated departure of the international military force'.

10.22 Even now with the presence of ISAF forces, parts of Afghanistan are beyond the reach of development activities because of poor security.³⁵ For example, in Uruzgan province where Australia has command of the Combined Team Uruzgan, the Taliban remain active.

Security in Uruzgan

10.23 The 2012 TLO Provincial Profile on Uruzgan noted that although the Taliban may have been weakened and displaced from long-held areas, they were by no means defeated in the province. It recorded that for some time the insurgency had relied on the 'use of improvised explosive devices (IEDs), targeted ambushes and assassinations over face-to-face combat'. Such tactics had proven successful for the insurgents and remain an ever-present threat.³⁶ The TLO report cited four main sources of insecurity in the province:

- Taliban operations that target ANSF, especially the ANP, with IEDs as the weapon of choice for the insurgency. They also man shadow checkpoints on major roads, conduct ambushes or targeted assassinations of pro-government leaders, and occasionally destroy government buildings, including schools and telecommunication infrastructure. The insurgents' soft warfare repertoire includes threatening night letters and house visits to prominent elders.
- Taliban requests for food and shelter. Communities often give in begrudgingly out of fear, only to be targeted by the ANSF and the international military forces (IMF) who interpret such acts as active rather than coerced assistance to the insurgents.³⁷
- In-fighting amongst the local communities themselves, either along tribal/sub-tribal lines or in the form of blood feuds between families—inter-tribal divisions are often exploited, splitting tribes into pro-government and pro-insurgency camps. Leadership competitions can easily morph into a broader competition between Taliban and ANSF/IMF.³⁸
- Uruzgan is a relatively isolated province with comparatively little strategic importance to either the insurgency or the IMF. ANSF and IMF continue to make advances in Uruzgan but it is unlikely that they will be able to secure the entire province until contested areas in neighbouring provinces, especially

34 UNHCR, '2013 UNHCR country operations profile—Afghanistan', <http://www.unhcr.org/cgi-bin/texis/vtx/page?page=49e486eb6> (accessed 6 March 2013).

35 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. x.

36 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 115. It cited the destruction of the AWCC cell tower and the new Etisalat transmitter in Shah Mansur village and in July the RTA building, p. 46.

37 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 115.

38 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, pp. xiii and 116.

northern Helmand, the southern districts of Ghazni, and northern Kandahar are brought under government control. The terrain in Uruzgan is simply too difficult to hold the province against insurgents moving in from other areas.³⁹

10.24 The report concluded that as eventful as the last 18 months were, '2012 and beyond will likely be even more eventful as powerbrokers and the insurgency position themselves for the pending withdrawal of IMF in Uruzgan'.⁴⁰

Post 2014

10.25 A number of witnesses to the inquiry voiced similar concerns about the security situation once the international troops withdraw. A particular worry was that the government's control over more remote areas would shrink and that the security situation in some provinces such as Uruzgan would deteriorate and become 'no-go territories'.⁴¹ Caritas noted:

Withdrawal of troops in Afghanistan will have an impact on security; ex-combatants must be reintegrated, women's rights protected and the accountability of the Afghan National Security Forces (ANSF) is yet to be seen. The International Community at present works on the assumption that the government in Kabul will remain in place in one form or another, either through power sharing or peace agreements. The fact that the former Taliban regime is welcomed in some areas of the country needs to be considered from a security perspective.⁴²

10.26 Care Australia likewise held reservations about continuing conflict in Afghanistan:

...as the security situation in Afghanistan becomes more uncertain, gains made over the past decade are in jeopardy. The withdrawal of international forces, handover of security responsibilities to Afghan forces, and manoeuvring of power-holders ahead of the presidential elections in 2014 generate challenges to security and stability. Aid agency staff and the communities we work with fear that increasing and new forms of conflict and instability will emerge.⁴³

10.27 Professor Maley suggested that if the April 2014 elections were tainted by the same kind of fraud that afflicted the 2009 election, the volatile environment produced by the withdrawal of ISAF could 'well lead to a complete collapse within the country'.⁴⁴ He observed:

39 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 116.

40 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 125.

41 See for example, Professor Howes and Jonathon Pryke, *Submission 14*, p. 3 and answer to written question on notice, no. 2.

42 *Submission 10*, p. 4.

43 *Submission 15*, p. 2.

44 *Committee Hansard*, 4 December 2012, p. 1.

The year 2014 is not only the culmination point for the so-called transition process in the security sphere, but it is also the scheduled year for the next Afghan presidential election. This combination of uncertainty in the security environment and intense political competition means that the next phase in Afghanistan's life will be highly combustible.⁴⁵

10.28 He stated further that were the political process to unravel in Afghanistan because of the fraudulent election then there was every risk that the Taliban would come surging back.⁴⁶

10.29 Despite the continuing armed conflict, and the foreseeable worsening of security conditions with the departure of international military forces, DFAT assessed that Afghanistan would 'not regress to the terrible conditions of the recent past.' In part this situation could be attributed to 'the tangible and positive impact of international—including Australian—development assistance'.⁴⁷ It recognised that the political, security and development environment was complex and evolving and would remain so past 2014 and further that forming judgements on what may happen post 2014 was challenging.⁴⁸ According to DFAT, Afghanistan will be 'beset by security, governance and development challenges for decades to come'.⁴⁹

10.30 Defence informed the committee that it expected the ANSF to be 'a confident and capable force to provide security for the Afghan people'.⁵⁰ Even so, it quoted from the Prime Minister's statement to Parliament in October 2012:

...we know that as Afghan forces increasingly take the lead through 2013, the Taliban will seek to test them. We know that not every valley or village in Uruzgan or Afghanistan will be peaceful or free from insurgency.⁵¹

10.31 The Prime Minister referred to the difficult days ahead.⁵²

Conclusion

10.32 Australian government agencies working in Afghanistan recognise that the Afghan Government and the international community face significant obstacles and challenges to restoring peace.⁵³ They accept the likelihood of continuing insecurity,

45 *Submission 4*, p. [5].

46 *Committee Hansard*, 4 December 2012, p. 12.

47 *Submission 22*, p. 1.

48 DFAT, answer to written question on notice no. 1.

49 *Submission 22*, p. 1.

50 Answer to written question on notice no. 11.

51 Answer to written question on notice no. 11.

52 Answer to written question on notice no. 11 and Prime Minister, the Hon Julia Gillard MP, Statement to the House of Representatives—'Progress in transition, preparation for the future', 31 October 2012, <http://www.pm.gov.au/press-office/statement-house-representatives-%E2%80%9Cprogress-transition-preparation-future%E2%80%9D> (accessed 1 November 2012).

53 See also DIAC, *Submission 9*, p. 3.

political instability and economic and social problems in Afghanistan during the transition and into the transformation decade.⁵⁴ While views differ on the future security situation in Afghanistan, all agree that it is unpredictable and that the legacy of Afghanistan's long and destructive history of political turbulence and of civil and military upheavals will continue to present enormous difficulties for Afghans.

54 See also DIAC, *Submission 9*, p. 3.

Chapter 11

Safety of aid workers and Australian civilian personnel

11.1 A hostile environment generates manifold problems for aid workers and those they seek to help. Aid agencies readily acknowledge that the lack of security hinders their operations and limits their access to people in need.¹ In this chapter, the committee considers the safety of all workers involved in the delivery of Australian aid programs in Afghanistan and the implications for the effective delivery of aid.

Safety of aid workers—limited access and ability to consult and monitor

11.2 People delivering development assistance in Afghanistan face great insecurity. Between 2006 and 2010 there were over 160 attacks on aid workers with over 50 recorded for 2011.² According to the 2012 TLO report, 40 per cent of NGOs interviewed raised concerns about security even though local organisations often managed successfully to avoid threats and work in insurgency-controlled areas. It found, however, that insecurity restricts organisational mobility and creates an imbalance of coverage, with more projects implemented in secure areas. The report quoted one NGO respondent, who stated that: 'security is manageable most of the time in our target communities, but it is a major problem for outreach'. He stated further: 'If we expand to other sectors, we will probably only work close to the district centres'.³ As a result, there is an imbalance of development activities between districts considered relatively safe and accessible (Tirin Kot, Deh Rawud, and Chora) and those where governmental control is more tenuous (Gizab, Char China, Khas Uruzgan, and Chenartu).⁴

11.3 As noted previously, NGOs operated in Afghanistan long before the fall of the Taliban in September 2001, when the country was highly insecure. At times, they withdrew from areas affected by conflict, but generally re-entered following agreements reached with the warring parties.⁵ According to one study, aid agencies 'negotiated access to contested areas on the basis of the population's right to aid, the value of development services and their own impartial position'.⁶ In this regard,

1 See for example UNHCR, '2012 UNHCR country operations profile—Afghanistan', <http://www.unhcr.org/cgi-bin/texis/vtx/page?page=49e486eb6> (accessed 18 September 2012).

2 Abby Stoddard, Adele Harmer and Morgan Hughes, *Aid Worker Security Report 2012, Host states and their impact on security for humanitarian operations*, Humanitarian Outcomes, December 2012, pp. 3–4.

3 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 8.

4 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 8.

5 See comments by Caritas and CARE Australia, Chapter 6, paragraphs 6.12–6.13.

6 Phil Sparrow, *In it for the long haul? Delivering Australian aid to Afghanistan*, ACFID Research in Development Series Report no. 1, March 2011, p. 21.

Caritas acknowledged the challenges ahead for NGOs operating in Afghanistan but noted that many had been embedded within communities for many years and are highly regarded for their understanding of the local context which enables them to operate safely. Even so, Mr de Groot explained:

Many of us are wondering, 'How does civil society survive into the future?' Whilst forces may leave, the security conversation, and the support to it, still needs to be considered. This is a country that still has conflict, and that cannot be ignored just in a transitional way by ISAF.⁷

11.4 He noted that security would be a continuing issue that needs ongoing debate—not just for NGOs to do their work but for the people of Afghanistan. In his view, the international community still needs to consider carefully how to invest in security, systems and apparatus within Afghanistan for the sake of the people.⁸ Mr Poulter agreed with the view that security would likely be 'a key issue for outside actors going into Uruzgan'.⁹

11.5 Undoubtedly, the security environment poses a risk to the personal safety of those delivering aid and of the effectiveness of the aid provided.¹⁰ This danger to aid workers places severe constraints on their ability to deliver assistance effectively.¹¹ In some cases they are forced to manage projects remotely from more secure locations, sometimes they remove themselves altogether from troubled areas. Thus, insecurity impedes the delivery of basic health and education services, hinders the construction of necessary infrastructure, inhibits job-creation and arrests private sector activity.¹²

11.6 While insecurity poses a threat to the welfare of aid workers and in some cases to the intended beneficiaries, it also undermines efforts to achieve development objectives in other ways. For example, the Afghanistan country level joint evaluation found that insecurity, which had expanded and escalated in Afghanistan, contributed to the difficulties of data collection for assessing development results.¹³ AusAID

7 *Committee Hansard*, 4 December 2012, p. 54.

8 *Committee Hansard*, 4 December 2012, p. 54.

9 *Committee Hansard*, 4 December 2012, p. 42.

10 See for example, *Submission 2*, p. 1 and *Submission 16*, p. 9.

11 Professor Maley noted the extreme difficulty when undertaking reconstruction in an environment where basic security is absent including increased risk to the beneficiaries of reconstruction projects, in ways that can be life-threatening. Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 91.

12 See for example, Ministry of Finance, Islamic Republic of Afghanistan, *Joint Evaluation of the Paris Declaration Phase 2: Islamic Republic of Afghanistan, 2010*, p. 7. It stated that insecurity impedes appropriate utilization of aid and achievement of development results.

13 Ministry of Finance, Islamic Republic of Afghanistan, *Joint Evaluation of the Paris Declaration Phase 2: Islamic Republic of Afghanistan, 2010*, p. 7. According to Christian Aid 'Ethnic and regional tensions are once more on the increase with ethnic bloc parties re-emerging and Afghans fearing ethnic warfare once international troops depart'. Christian Aid, written evidence to UK Select Committee, paragraph 3.5.

similarly observed that the presence of military conflict severely restricted movement of development workers and affected their ability to monitor programs directly.¹⁴ According to AusAID:

Credible and capable delivery partners are limited in number, particularly in Provinces such as Uruzgan. Partners that advocate for women's empowerment and are able to provide services direct to women and girls are even more limited.¹⁵

11.7 Professor Maley also referred to problems monitoring project implementation and that donors operating in insecure areas may be inclined to favour large organisational recipients of funds rather than small, community-based actors as direct beneficiaries. In his view, it could foster excessive reliance on dubious subcontractors as ground-level delivery agents.¹⁶

11.8 Defence not only highlighted the risks to safety posed by hostile elements but from worksite accidents. It stated that safety practices and culture within the local construction industry were not at the same level as more developed nations. Furthermore, the security environment in Uruzgan does not allow full time supervision of worksites by the PRT.¹⁷

Summary

11.9 The uncertainty generated by the withdrawal of foreign troops by the end of 2014, means that aid agencies must think seriously about their operations in Afghanistan. Security and the safety of aid workers and the intended beneficiaries then looms large in decisions about the type of aid that would be most effective and sustainable; the best channels for delivering assistance; the means of engaging local communities; and monitoring and evaluating aid programs effectively.

Safety of Australian personnel

11.10 The *Independent Review of Australia's Aid Effectiveness* commended AusAID for its flexibility in responding to a range of new challenges over recent years and cited its performance in Afghanistan with its rapidly increasing program in a difficult and dangerous environment which exposed staff to risks. Indeed, AusAID staff with the Uruzgan PRT regularly travel outside the secure military base at Tarin Kowt and spend periods of time at forward-operating bases—four to five times a week to meet communities and provincial government officials.¹⁸ They do so under the protection of

14 *Submission 16*, p. 8.

15 *Submission 16*, pp. 8–9.

16 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 91.

17 *Submission 17*, p. [4].

18 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 31 May 2012, p. 79 and *Independent Review of Aid Effectiveness*, April 2011, p. 268.

the ADF. The review recognised AusAID's role in Afghanistan as integral to Australia's whole-of-government efforts. It observed:

Ongoing insecurity, coupled with the very weak capacity of the Afghan government at national and provincial levels, constitute a difficult environment for delivering Australia's program of assistance.¹⁹

11.11 The Review noted that the scale of Australia's country programs to Afghanistan in 2015 'will hinge on the context at the time, around which there is considerable uncertainty'.²⁰ It went further:

...in any scaling up there needs to be a strong emphasis on both the safety of Australians and their ability to get the job done. In Uruzgan, there would clearly need to be close synchronisation between Australia's military presence (including how long it will last) and aid personnel being there.²¹

11.12 Some Australian agencies do not have personnel in Afghanistan and their direct contact is mainly through visits to Kabul. For example, ACIAR noted that as a result of poor security and political uncertainty, the operating environment in Afghanistan was complex which limited Australian scientists gaining access.²² ACIAR does not have permanent officers in Afghanistan but occasionally has staff visit the country. During such visits, they do not go outside Kabul. ACIAR relies on its implementing agencies, such as ICARDA, to visit the provinces where they have people working on projects. Dr Dixon explained that some of the staff on the ground in Afghanistan would be internationals but most would be local personnel employed by the international organisation.²³ Professional private security contractors support AusAID and other embassy personnel located in Kabul.²⁴

11.13 The AFP has permanent officers stationed in Afghanistan but generally they do not 'go out into the community'. Defence provides security when AFP officers are required to go beyond the secure perimeters at Tarin Kowt. In May 2012, the AFP conducted a security assessment to determine the security issues relating to AFP operations in Afghanistan, and found that the risk to AFP operations remained very high and indicated that officers should not travel outside the wire in Tarin Kowt.²⁵ Assistant Commissioner Mandy Newton told the committee that AFP personnel were operating in a war zone where the ANP in particular and coalition forces were a priority target of the insurgency.²⁶ She noted:

19 *Independent Review of Aid Effectiveness*, April 2011, pp. 268–269.

20 *Independent Review of Aid Effectiveness*, April 2011, pp. 11 and 143.

21 *Independent Review of Aid Effectiveness*, April 2011, p. 143.

22 *Submission 1*, p. 2.

23 *Committee Hansard*, 3 December 2012, p. 34.

24 *Submission 16*, p. 9.

25 Assistant Commissioner Mandy Newton, AFP, *Committee Hansard*, 3 December 2012, p. 41.

26 *Committee Hansard*, 3 December 2012, p. 38.

...at this point in time the Afghan National Police are dying at a rate of two to one in comparison to military personnel in Afghanistan, so they are the highest targets in Afghanistan.²⁷

11.14 DFAT recognised that the work of the civilian officers with the Uruzgan PRT would not be possible without the ADF's support, which provides force protection to enable staff to move outside their base in Tarin Kowt.²⁸ According to Mr Peter Baxter, the ADF was providing 'a purpose-specific contingent of its personnel to look after this increased civilian component and all of the equipment and the like that goes with that'. Mr Baxter explained that, in such a very difficult security situation, the ADF would provide support for AusAID development officers when they move off secure bases to inspect projects, to consult with local communities and conduct other activities associated with delivering an aid program.²⁹ This protection also covered DFAT and AFP personnel.

Operating in a war zone



A US Air Force CH-47 Chinook helicopter circles the Australian Reconstruction Task Force camp. (image courtesy of the Department of Defence)

27 *Committee Hansard*, 3 December 2012, p. 40.

28 See Mr Dawson, Mr Lehmann, Ms Rawson and Mr Sargeant, *Committee Hansard*, 3 December 2012, pp. 6, 19 and 48.

29 *Submission 17*, p. [4] and Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 3 June 2010, p. 51.

11.15 Defence stated that, given the security environment in Afghanistan, the safety of both military and civilian personnel remained 'an ongoing challenge'. It explained that force protection measures used to manage security threats included the provision of physical security, personal armour and tactical training to operate in the Afghan environment.³⁰

Closure of PRT

11.16 Clearly, hostile forces in Uruzgan pose a serious threat to the safety of Australian personnel working in the province. The closure of the Uruzgan PRT will affect the way in which development assistance previously undertaken by its members is delivered. DFAT acknowledged that access was likely to be more difficult after the transition and informed the committee that it would seek to maintain links to Uruzgan after the completion of the transition. Its level of engagement, however, would depend on the security situation.³¹

11.17 In May 2012, Mr Baxter explained that AusAID had tailored its program to take account of the time when ISAF forces withdraw from the country and Afghan national security forces take the lead for providing security throughout the country. He accepted that without the provision of force protection—the physical presence of the ADF in Uruzgan province—AusAID would not be able to continue to operate as it had.³² AusAID explained that when that happens in Uruzgan, rather than retain a physical presence in the province, AusAID would run its programs at the national level and manage most of the activities for which it is responsible from Kabul.³³ As noted previously, a private security firm provides security for Australian personnel attached to the embassy in the capital.³⁴

11.18 The committee has described the numerous development projects that Australian agencies have undertaken in Uruzgan. Many of the current activities in the province are expected to conclude within the coming 12 to 18 months and, after security transition, AusAID anticipates that it would have only a small number of activities in Uruzgan itself.³⁵

Summary

11.19 As Australian forces withdraw, the ability of Australian personnel to go out into the field to meet and talk to local leaders and communities and to plan, design and

30 *Submission 17*, p. [4].

31 *Committee Hansard*, 3 December 2012, p. 3.

32 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 31 May 2012, p. 80.

33 *Committee Hansard*, 3 December 2012, p. 7 and Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 31 May 2012, p. 80. See also *Submission 16*, p. 9.

34 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 3 June 2010, p. 48.

35 *Committee Hansard*, 3 December 2012, p. 7.

monitor programs will be further limited. The pull back of Australian personnel delivering development assistance from Uruzgan to Kabul means that the opportunities for close consultation with local people and for gathering data and assessing projects will shrink. This remoteness from intended beneficiaries creates particular problems for the effective delivery of aid—not only for future programs but for the sustainability of completed and current projects especially in the less secure provinces such as Uruzgan.

Afghans who have worked with Australian aid agencies

11.20 At the beginning of December 2012, Professor Maley reminded the committee about the many Afghans who have exposed themselves to risk by working closely with Australian aid officials or agencies working on behalf of Australia. He stated that their future safety and well-being needed to figure prominently in planning for the next phase.³⁶

11.21 On 13 December 2012, the then Minister for Immigration and Citizenship, the Hon Chris Bowen MP and the Minister for Defence, the Hon Stephen Smith MP, announced that Australia would offer resettlement to Australia to eligible locally engaged Afghan employees at risk of harm due to their employment in support of Australia's mission in Afghanistan.³⁷

11.22 The policy is intended for locally engaged Afghan employees at 'the greatest risk of harm' as a consequence of the support they have provided to Australia's mission in Afghanistan. Under the policy, locally engaged Afghan employees interested in resettling in Australia would be assessed by their employing Australian agency against specific threat criteria. If deemed eligible, the locally engaged Afghan employees would be able to apply for a visa under Australia's Humanitarian Program. They would have access to the same resettlement services as other humanitarian entrants, including accommodation support, basic assistance to set up a household, English language courses and help to access government, community and health services.³⁸

11.23 The committee welcomes this announcement, but highlights the importance of Australian government agencies working cooperatively together to ensure that visa applications and the process of resettlement is managed well. The committee cites the shortcomings identified in the processing of scholarships and visa applications covered in chapter 9 to underscore the need for effective whole-of-government administration of this scheme. The matter of corruption, which has marred the Australian Leadership Awards Scholarships program for Afghanistan, is a particular

36 *Submission 4*, p. [5].

37 DFAT, answer to written question on notice no. 14.

38 The term 'at the greatest risk of harm' is used in the Joint media release by the Hon Chris Bowen MP—Minister for Immigration and Citizenship and the Hon Stephen Smith MP—Minister for Defence, 'Visa policy for at-risk Afghan employees', 13 December 2012, <http://www.minister.immi.gov.au/media/cb/2012/cb192423.htm> (accessed 17 December 2012).

matter of concern and should be a vital lesson that is applied to the resettlement scheme.

Recommendation 4

11.24 The committee supports the Australian Government's initiative to offer resettlement to Australia to locally engaged Afghan employees at the greatest risk of harm as a consequence of their support to Australia's mission in Afghanistan. The committee recommends, however, that the Australian Government ensure that the resettlement program is available to all such locally engaged staff at credible risk and not just those at the greatest risk of harm.

Recommendation 5

11.25 In light of problems with the Australian Leadership Awards Scholarships for Afghanistan and the delay in processing visas for visiting Afghans, detailed in chapter 9, the committee recommends that DFAT, AusAID, and DIAC review carefully the procedures and protocols governing this resettlement scheme. The committee recommends that together they build measures into the administration of the scheme that will expedite the process, minimise risks to the safety of those in Afghanistan seeking eligibility and uphold the integrity of the scheme (especially guarding against corruption). The committee recommends that all relevant agencies give close attention to strengthening inter-departmental communication and liaison, oversight of the program, and streamlining administrative processes.

Conclusion

11.26 For over a decade, international forces have been helping Afghanistan to restore peace to the country. Despite this considerable presence, disruptive elements within Afghanistan continue to undermine these efforts. Indeed, Afghanistan is a country whose people experience persistent insecurity due to continuing hostilities between opposing factions. As Afghanistan approaches the transformation decade, when it will take full responsibility for its own affairs, the country's security remains uncertain.

11.27 Evidence before the committee has demonstrated the link between security and the effectiveness of delivering development assistance. A hostile environment poses risks to the viability of aid projects, to the welfare of the beneficiaries of development assistance and to the safety of aid workers. The uncertainty about Afghanistan's future security as it transitions to the transformation decade requires all donor countries and aid agencies to consider carefully how to manage the risks while ensuring their aid is effective.

11.28 The committee also discussed the numerous reconstruction projects in Uruzgan involving the building of schools and training facilities. The PRT with the cooperation of local communities has achieved much progress especially in the education and health sectors. The committee is most concerned about their sustainability as the PRT shuts down and AusAID staff draw back to Kabul. It understands the need to relocate Australian civilian staff from Uruzgan following the closure of the PRT due to the lack of a secure base from which to work. The

committee is of the view that Australia should not abandon the province but seek to achieve a phased and gradual transition. Planning for development assistance must recognise this fact and the possibility that political and military hostilities may escalate and take on new forms. Many witnesses raised concerns about the gains made to date being lost should the security situation deteriorate. In the following chapter, the committee recognises that the effectiveness of Australian aid to Afghanistan is inextricably connected to security.

Chapter 12

Development assistance

12.1 Conflict, continuing hostilities and instability are critical barriers to social and economic development. Numerous studies indicate that resurging violence in Afghanistan could not only impede further advancement but even undo the progress made to date in the country.

12.2 The withdrawal of foreign troops means that the Government of Afghanistan will be required to take on a larger share of security spending, as well as manage an economy with reduced purchases of domestic goods and services by foreign troops.¹ In this chapter, the committee considers development assistance in light of the fast-approaching transformation decade and the anticipated decline in Afghanistan's revenue base. It examines in detail the economic environment in Afghanistan and its implications for the delivery of Australian aid. The committee considers the ways in which Australian assistance is being planned in anticipation of Afghanistan's immediate and longer-term future.

International conferences

12.3 Following the announcement that Afghanistan would take charge of its own affairs, the international donor community held a number of important gatherings to consider how best to manage the transition.

Bonn meeting 2011

12.4 In 2011, 85 countries and 15 international organisations gathered in Bonn and, wishing to build on the shared achievements of the past ten years, renewed their commitment to work in partnership for the transformation decade.² They agreed that this decade would:

...see the emergence of a new paradigm of partnership between Afghanistan and the International Community, whereby a sovereign Afghanistan engages with the International Community to secure its own future and continues to be a positive factor for peace and stability in the region.³

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- 1 The ADB noted that Afghanistan would face additional security and budgetary challenges with the planned withdrawal of foreign troops in 2014 and the gradual reduction in foreign support that its development partners have forecast. ADB, *Islamic Republic of Afghanistan, Country Assistance Program Evaluation, Independent Evaluation CE-28, 2012-13*, paragraph 169.
 - 2 The International Afghanistan Conference in Bonn, 'Afghanistan and the International Community: From Transition to the Transformation Decade', Conference conclusions, 5 December 2011, paragraph 5.
 - 3 The International Afghanistan Conference in Bonn, 'Afghanistan and the International Community: From Transition to the Transformation Decade', Conference conclusions, 5 December 2011, paragraph 30.

12.5 The conference recognised that as the transition gathered momentum there would be economic risks, identified by the World Bank and the International Monetary Fund, including the economic effects linked to a reduced international military presence.⁴ An Afghanistan Research and Evaluation Unit brief prepared for the conference stated:

Dependence on donor funds is high across all sectors. Many health, education and rural development programmes may become unsustainable because a reduction in aid flows will likely accompany the military drawdown toward 2014.⁵

12.6 The international community undertook to direct financial support towards Afghanistan's economic development and security-related costs to help the country address its continuing budget shortfall. The intention was to secure the gains of the last decade, make the transition irreversible, and for Afghanistan to become self-sustaining.⁶ Australia was one of the many countries that gave its support for this objective.

Chicago summit 2012

12.7 The nations contributing to ISAF and the Government of Afghanistan met in Chicago on 21 May 2012 and restated their pledge to strive for a 'sovereign, secure and democratic' country.⁷

Tokyo 2012 and mutual accountability framework

12.8 On 8 July 2012, the Afghan Government and the international community gathered in Tokyo to consolidate their partnership to assist Afghanistan through the transition to transformation.⁸ They acknowledged that they could not continue 'business as usual' and must 'move from promise to practice'. To do so, they adopted a mutual accountability framework, which set out both the commitment of international partners to sustain financial support for Afghanistan's development and the Afghan Government's undertakings to make progress on critical economic and social reforms.⁹

4 The International Afghanistan Conference in Bonn, 'Afghanistan and the International Community: From Transition to the Transformation Decade', Conference conclusions, 5 December 2011, paragraph 21.

5 Afghanistan Research and Evaluation Unit, *Afghanistan Looking Ahead, Challenges for Governance and Community Welfare*, Research Briefs for the 2011 Bonn Conference, December 2011, p. 4.

6 The International Afghanistan Conference in Bonn, 'Afghanistan and the International Community: From Transition to the Transformation Decade', Conference conclusions, 5 December 2011, paragraph 22.

7 North Atlantic Treaty Organization, Chicago Summit Declaration on Afghanistan, issued by the Heads of State and Government of Afghanistan and Nations contributing to the NATO-led International Security Assistance Force (ISAF), 21 May 2012, paragraph 1.

8 Preamble, Tokyo Conference on Afghanistan, The Tokyo Declaration, 'Partnership for Self-Reliance in Afghanistan from Transition to Transformation', 8 July 2012, paragraph 1.

9 Tokyo Mutual Accountability Framework, 8 July 2012.

12.9 The conference recognised that tangible commitments were required to provide the necessary long-term support for Afghanistan to achieve fiscal and economic sustainability beyond 2014. At this conference, Afghanistan's partners pledged US\$16 billion over four years from 2015–16 to support the country's development needs.¹⁰ The following section considers in greater detail the economic problems facing Afghanistan.

Predictions and international responses

12.10 The International Monetary Fund (IMF) identified two main challenges facing Afghanistan over the coming three to five years:

- an expected gradual decline in overall donor support over the medium term, with a larger share of donor support possibly being channelled through the budget; and
- the scheduled departure of foreign troops by 2014, requiring the government to take over an increasing share of security spending.

12.11 It found that from an economic perspective, these developments would 'make it more difficult for the government to address Afghanistan's large social and development needs'.¹¹

12.12 A number of other substantial studies also referred to the harmful effect that the drawdown of foreign troops could have on Afghanistan's economic growth and the government's revenue base.¹² A recent World Bank report formed the view that the withdrawal of most international troops by 2014 would have a 'profound and lasting impact on the country's economic and development fabric'. It cited international experience and Afghanistan's own history to show that an abrupt cut off in aid could lead to 'fiscal crisis, loss of control over the security sector, collapse of political authority, and possibly civil war'.¹³ The report suggested that the greatest adverse effect of transition would be fiscal as aid flows to Afghanistan were expected to decline from 2012 onward and 'may fall faster after 2014'.¹⁴ Indeed, in September 2012, cuts to UNAMA's 2013 budget were expected to be between 18 and 19 per cent. The Secretary-General noted that:

10 DFAT, *Submission 22*, p. 4 and Ms Jennifer Rawson, *Committee Hansard*, 3 December 2012, p. 3.

11 IMF, Program note, Islamic Republic of Afghanistan, last updated: July 12, 2012, <http://www.imf.org/external/np/country/notes/afghanistan.htm> (accessed 26 October 2012).

12 See for example, IMF, Program note, Islamic Republic of Afghanistan, last updated: July 12, 2012, <http://www.imf.org/external/np/country/notes/afghanistan.htm> (accessed 26 October 2012).

13 The World Bank, *Afghanistan in Transition: Looking Beyond 2014*, vol. 2, Main Report, May 2012, p. 1.

14 The World Bank, *Afghanistan in Transition: Looking Beyond 2014*, vol. 2, Main Report, May 2012, p. 4.

...a reduced footprint and fewer resources will necessarily affect operational capacity and underline the need to focus on core strategic goals.¹⁵

12.13 According to the World Bank, Afghanistan faces a projected financing shortfall of 25 per cent of GDP by 2021–22, even higher in some of the intervening years (DFAT cited World Bank estimates of a fiscal gap—before donor contributions—of more than 40 per cent of GDP in 2014–15). This gulf would be enormous despite hoped for robust growth in domestic revenue.¹⁶ The World Bank reported:

Without continued and substantial international funding for security—even if security costs decline—the government will not be able to pay for its security forces and equipment, nor have any money for its development budget. In such a scenario, past development gains would not be maintained, potentially risking instability if people's expectations went unmet. The total future package of core basic services to be maintained will depend on government and donor choices about what they can afford and their priorities going forward.¹⁷

12.14 The Bank concluded that with civilian aid likely to fall well below the current US\$6 billion annual figure, Afghanistan would be hard pressed to fund all its civilian programs at current levels. It noted further that political, social and economic considerations were likely to limit the government's room to manoeuvre.¹⁸ A recent ADB independent evaluation of Afghanistan's country assistance program stated that:

The external grants made available to Afghanistan account for 82% of total public spending—that is, central government spending plus off-budget development partner spending that bypasses the budget process.¹⁹

12.15 As noted above, this flow of funds was expected to diminish. The ADB was concerned that the level of support underpinning improvements in areas such as education, access to health services and gender issues, rehabilitation of critical

15 United Nations, General Assembly, Security Council, A/67/354–S/2012/703, 13 September 2012, paragraph 54. The Secretary-General spoke of closing nine provincial offices, a reduction of approximately 25 per cent of the authorized international and national staff (629 positions) and an adjustment to the Mission's logistical support, a revision downward of authorized number of military and police advisers. He noted further, 'National reach remains at the core of the Mission's mandated activities, but will now be carried out more flexibly, with regional offices functioning as hubs with logistical and substantive capacity to cover adjacent provinces, wherever possible', paragraph 55.

16 The World Bank, *Afghanistan in Transition: Beyond 2014*, vol. 2: Main Report, May 2012, p. 60. See also DFAT, answer to written question on notice no. 2.

17 The World Bank, *Afghanistan in Transition: Beyond 2014*, vol. 2: Main Report, May 2012, p. 61.

18 The World Bank, *Afghanistan in Transition: Beyond 2014*, vol. 2: Main Report, May 2012, p. 61.

19 ADB, *Islamic Republic of Afghanistan, Country Assistance Program Evaluation, Independent Evaluation CE–28, 2012–2013*, p. xiii.

infrastructure, improved transport routes and access to electric power was unsustainable. While the evaluation drew attention to the need for the international community to continue its support, it underscored the importance of ensuring that far stronger action on capacity development and reforms to improve development effectiveness accompanied this assistance.²⁰ According to the ADB, sustainability and risk management should be the priority.²¹

12.16 A number of witnesses also referred to the anticipated fall in foreign aid.²² They appreciated that the reduction in ISAF and decline in government revenue was expected to have far reaching effects on Afghan society. They understood that as the Afghan Government assumed more responsibilities and increased the remuneration of its public sector workers, it would need to find revenue it did not have to fund these activities, including significant operations and maintenance costs.²³ For example, according to Save the Children, Oxfam and World Vision, there was a serious risk that in light of the projected decline in international funds, progress in education would not be sustained.²⁴ Caritas Australia informed the committee that given the dependency of the Afghan economy and social sectors on foreign aid, there was a risk that development gains—notably in health and education—would be compromised after military withdrawal. It argued that the anticipated reduction of foreign aid was likely to produce economic consequences that 'must be mitigated by investing in service provision that works and viable livelihoods'.²⁵

Committee view

12.17 The committee has highlighted the impressive achievements made in Afghanistan to date. Even so, evidence has also pointed to the poor state of the country with its stubbornly low levels of development, the government's lack of capacity to deliver basic services and endemic corruption. As the country moves toward the transformation decade, continuing or escalating conflict combined with government revenue shortfalls are set to compound Afghanistan's problems. Clearly, the achievements to date are fragile and much more needs to be done to sustain progress and secure the gains already made.

20 ADB, *Islamic Republic of Afghanistan, Country Assistance Program Evaluation, Independent Evaluation CE-28, 2012-2013, Preface.*

21 ADB, *Islamic Republic of Afghanistan, Country Assistance Program Evaluation, Independent Evaluation CE-28, 2012-2013, paragraph 167.*

22 See for example, Save the Children, Oxfam and World Vision Australia, *Submission 6*, pp. 31-32; Caritas, *Submission 10*, p. 4.

23 Mr Paul Lehmann, AusAID, *Committee Hansard*, 3 December 2012, p. 5.

24 *Submission 6*, pp. 31-32.

25 *Submission 10*, p. 4. See also Mercy Corps, which foresees two significant likely economic consequences to the military drawdown: a significant reduction in Afghanistan's GNI from the fall in the spending power of NATO-led forces and the fact that security is likely to become a more urgent issue. Mercy Corps, written evidence to UK Select Committee p. [1].

12.18 Even though the international community has indicated that it was prepared to support Afghanistan well into the future, some commentators have reservations about sustaining this level of assistance, especially given Afghanistan's already heavy reliance on international aid.²⁶ The overriding message is that donors need to make important choices about what they can afford and where they should focus their aid to assist Afghanistan, as best they can, through its transition.

Australia's assistance post 2014

12.19 AusAID acknowledged that the road to development and reconstruction in Afghanistan would be long and difficult.²⁷ DFAT suggested, however, that by remaining deeply engaged in Afghanistan's development over the coming decades, Australia could consolidate the gains of the past decade and reduce the risk that Afghanistan would 'again become a major source of regional instability and international terrorism'.²⁸ It indicated that Australia could help Afghanistan 'find its niche in the Asian Century'.²⁹

Commitments—increased funding, accountability

12.20 At the Chicago summit, Australia pledged to increase its development assistance to Afghanistan from \$165 million in 2011–12 to \$250 million by 2015–16. This pledge formed part of the international community's commitment to provide US\$16 billion over four years from 2014.³⁰ On 20 May 2012, the Prime Minister explained that the increased assistance would contribute to Afghan-led multi-donor efforts to:

- increase school enrolments to approximately 10 million students;
- increase coverage for Diphtheria, Pertussis and Tetanus vaccinations by 60 per cent; and
- construct approximately 3,000 kms of rural roads which would also help to provide jobs in the immediate post transition period.³¹

12.21 Australia endorsed the Tokyo Mutual Accountability Framework, whereby the Afghan Government made important commitments to strengthen governance,

26 See for example, the Afghanistan Research and Evaluation Unit, *Afghanistan Looking Ahead: Challenges for Governance and Community Welfare*, Research briefs for the 2011 Bonn Conference, 'Local Governance for Local Needs', p. 4.

27 See for example, *Submission 16*, p. 7.

28 *Submission 22*, p. 1.

29 *Submission 22*, p. 1.

30 Prime Minister, the Hon Julia Gillard MP, Statement to the House of Representatives—'Progress in transition, preparation for the future', 31 October 2012, <http://www.pm.gov.au/press-office/statement-house-representatives-%E2%80%9Cprogress-transition-preparation-future%E2%80%9D> (accessed 1 November 2012).

31 Prime Minister of Australia, the Hon Julia Gillard MP, 'Vital aid assistance for Afghanistan', 20 May 2012, <http://www.pm.gov.au/press-office/vital-aid-assistance-afghanistan> (accessed 10 September 2012).

combat corruption, promote the rule of law and uphold the rights and freedoms for Afghan men and women guaranteed in the Afghan Constitution.³² At the end of October 2012, the Prime Minister indicated that through its aid program, Australia would encourage the Afghan Government to fulfil these reform commitments. She stated that Australian aid would also support the electoral process by helping the Afghans prepare for the 2014 Presidential elections.³³

12.22 The Prime Minister recognised the 'great work' of the Australian-led PRT in Uruzgan, which had contributed to improvements in education and health services and a stronger provincial administration. She told the Parliament that as transition proceeded in Uruzgan, Australian aid workers and diplomats would continue their important task.³⁴

Protecting the gains

12.23 Although most witnesses were apprehensive about Afghanistan's future, they nonetheless accepted the inevitability of the transition and advanced numerous suggestions on the ways in which Australian assistance could make a positive difference. While recognising the significant improvements made in areas such as education, health and governance, they noted that these gains remained vulnerable and possibly unsustainable.³⁵

12.24 As noted in chapter 10, there is a real fear that the security situation in Afghanistan could deteriorate. With this in mind, Professor Maley stressed the importance of considering not only how to sustain Australia's current aid program, but how to salvage something of benefit for the Afghan people should the situation in Afghanistan take 'a truly dire turn'.³⁶ In light of the expected deterioration in revenue, Professor Howes suggested that assistance should concentrate on securing the foundations already laid. He noted that the government should 'stop putting so much focus on investment':

There is no point building new assets if you are not going to have the funds to maintain them, and the emphasis should go much more onto operations

32 Prime Minister, the Hon Julia Gillard MP, Statement to the House of Representatives—'Progress in transition, preparation for the future', 31 October 2012, see footnote 30 above.

33 Prime Minister, the Hon Julia Gillard MP, Statement to the House of Representatives—'Progress in transition, preparation for the future', 31 October 2012, see footnote 30 above. See also Memorandum of Understanding, 'Development Framework Agreement', between the Government of the Islamic Republic of Afghanistan and the Government of Australia, 2012–2017, p. 4, <http://www.aisaid.gov.au/countries/southasia/afghanistan/Documents/aus-afghanistan-development-framework-agreement-2012-17.pdf> (accessed 18 January 2013).

34 Prime Minister, the Hon Julia Gillard MP, Statement to the House of Representatives—'Progress in transition, preparation for the future', 31 October 2012, see footnote 30 above.

35 In Dr Bizhan's assessment, Afghanistan's future appeared gloomy unless the international community provided a sizable package of international assistance to make up for its military withdrawal and the Afghan government managed the transition well. *Submission 13*, p. 3.

36 *Submission 4*, p. [5].

and maintenance rather than asset creation at this particular stage where you are facing possible resource shortfalls in coming years.³⁷

12.25 NGOs in particular saw potential for increased and improved efforts and were interested in finding ways to safeguard the advances made to date. For example, Mr Leahy, CARE Australia, stated:

...if the appropriate mechanisms and policies are put in place, then many if not most of the gains that have been made under the recent UN and American sponsored stability...can be maintained. At the same time I think the move to transition will open up new opportunities as well for organisations like CARE.³⁸

12.26 According to DFAT, despite the very difficult operating environment, it was vital that Australia consolidate the gains of the past 11 years through sustained engagement during the coming decades.³⁹

12.27 For many witnesses, it was important to have a phased and carefully staged process that would see a gradual transition allowing the Afghan Government to take over the direct delivery of services.⁴⁰ Dr Bizhan argued that the most important priority was continuation. He stated that an immediate jump from one area to another would lead to the collapse of some already funded programs.⁴¹ Lack of capacity was recognised as a major obstacle to effecting continuity as the Afghan Government takes charge of its own affairs. Mr Leahy explained:

...it is in everybody's interest that the Afghanistan government be able to have the capacity to deliver services. In the short term, that capacity, we believe, does not presently exist and alternative means of providing services to the Afghan communities, particularly around education and health, need to be found.⁴²

12.28 Clearly, NGOs in partnership with national and provincial administrations have been able to fill that service delivery gap and provide the building blocks for the eventual transfer of full responsibility to government agencies.⁴³ The challenge is to ensure that the transfer of responsibilities from NGOs to government and local administrations occurs without significant disruption or breakdown.

12.29 Because of the security and fiscal risks accompanying the transition, another key consideration for donors is determining their priorities by identifying the core strategic goals on which they should focus.

37 *Committee Hansard*, 4 December 2012, p. 14.

38 *Committee Hansard*, 4 December 2012, p. 40.

39 *Committee Hansard*, 3 December 2012, p. 7.

40 *Committee Hansard*, 4 December 2012, p. 36.

41 *Committee Hansard*, 4 December 2012, p. 24.

42 *Committee Hansard*, 4 December 2012, p. 36.

43 See the committee's discussion on the contribution of NGOs in chapter 6.

Focus and priorities

12.30 A recent independent review of the ARTF noted that the transition phase for the fund was likely to be 'a period of increased uncertainty, reduced implementation options, uneven political will and capacity to implement across the country and sectors'. It was expected to be a time where economic returns to activities may be lower and more difficult to measure. The review argued that, for the moment, the ARTF should scale back ambitions regarding expanding into new sectors and focus on defending the gains achieved by concentrating on the more successful activities/sectors. They included public finance management, social sectors, and rural development.⁴⁴

12.31 This observation about the careful and judicious selection of projects provides a valuable reminder for all donors. Indeed, with respect to Australian aid, a number of witnesses spoke of the need for Australian aid to be well-targeted.⁴⁵

12.32 Professor Maley stated that much could be said for 'doing a small number of key things well rather than attempting too much and achieving too little—a good rule of thumb is to invest in what is foundational: what has proved successful in the past'.⁴⁶ As an example of success, he cited primary health, which had 'witnessed some notable achievements, especially in the area of child immunisation, as well as community development under the NSP'.⁴⁷ Mr Krishnan likewise saw great value in concentrating on one or two crucial areas—to focus and deepen activities—to ensure that there was impact and sustainability in those areas.⁴⁸ Dr Bizhan also suggested that the goal of Australia's ODA should concentrate on a small number of sectors, including education, agriculture, mining and public financial management. Within each one, the focus should be on attainable objectives 'essential for a successful exit strategy of donors from Afghanistan'.⁴⁹

12.33 His view supported the weight of evidence underlining the importance of Australia investing in priority sectors with clear, critical, concrete and well-targeted objectives.⁵⁰

44 Scanteam, Analysts and Advisors, *ARTF at a Cross Roads: History and the Future*, Final Report, Oslo, September 2012, p. 2.

45 *Independent Review of Aid Effectiveness*, April 2011, p. 149.

46 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 93.

47 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 93.

48 *Committee Hansard*, 4 December 2012, p. 57.

49 *Submission 13*, p. 1.

50 *Submission 13*, p. 2.

Conclusion

12.34 Clearly there is a serious risk that in light of the projected decline in international funds, advances in key areas such as the delivery of education and health services may be unsustainable or even reversed. The emphasis for the delivery of aid should be on:

- continuity—ensuring that the transition to self-reliance is sure-footed and smooth;
- consolidation—ensuring that the gains made to date form a solid foundation for future growth; and
- strategic focus—ensuring that attention is given to the sectors that are foundational and have a proven track record of success in contributing to Afghanistan's development.

12.35 In the following chapter, the committee considers Australia's development assistance in light of the importance of continuity, consolidation and potential to make a lasting difference.

Chapter 13

Protecting the gains—education

13.1 Uncertainty, a difficult security environment, reduced funds for development assistance but a continuing and desperate need for such aid means that donors need to review their programs and to plan ahead carefully. Reports and evidence before the committee emphasised the need to consolidate and safeguard the gains made to date. Advice from sources such as the recent review of the ARTF highlighted the importance of concentrating on sectors that have a proven track record of success.

13.2 In the Memorandum of Understanding between the Government of Afghanistan and the Government of Australia, 'Development Framework Agreement', Australia pledged to:

...deliver assistance in sectors where Australia has particular expertise, comparative advantage and can have the most impact, with particular focus on education, agriculture, mining and public financial management to improve social and economic development for the people of Afghanistan, end violence against women, and ensure the equality of men and women, boys and girls.¹

13.3 A number of witnesses referred to education as a specific area where, in their view, Australia could direct its attention most productively. In this chapter, the committee looks at the work that Australia is doing and intends to do in this area.

Education

13.4 Professor Maley acknowledged that capacity building with the kind of funds that international donors have is not going to transform Afghanistan, but it could begin to change the skill set of people who are there on the ground. He noted:

Here the old Chinese saying that 'a single spark can start a prairie fire' does have a certain amount of resonance. What is encouraging in Afghanistan is the incredible talent of some of the younger people. The population statistically gets younger every day—70 per cent of the people are under the age of 25. The best of the young people in Afghanistan are as bright as you will find in any country in the world, and they are a generation that has been exposed to the forces of globalisation in the way that no previous Afghan generation ever has.²

13.5 Other witnesses similarly highlighted the central importance of education as a means of achieving sustainable development. Mr Poulter supported the notion that

1 Memorandum of Understanding, 'Development Framework Agreement', between the Government of the Islamic Republic of Afghanistan and the Government of Australia, 2012–2017, p. 4, <http://www.aisaid.gov.au/countries/southasia/afghanistan/Documents/aus-afghanistan-development-framework-agreement-2012-17.pdf> (accessed 18 January 2013).

2 *Committee Hansard*, 4 December 2012, p. 11.

education was a key building block for a healthy society.³ Mr Leahy agreed with the view that 'the transition from aid-dependency to self-sufficiency involves people coming through schools, training and these sorts of things'.⁴ He stressed that this was a long term project—in effect a generational process.⁵

13.6 Mr Rahatullah Naeem, Managing Director for the Afghan Development Association, informed the committee that for long-term sustainability and development, primary education was very important to raise the literacy rate.⁶ Given the importance of education, he suggested that Australia prioritise its funding for primary education in the southern region of Afghanistan where literacy rates were very low.⁷ While most witnesses recognised the importance of primary education, some also stressed the need to ensure that there were pathways to higher education.

13.7 Dr Bizhan noted that, in comparison to other donors to Afghanistan, Australia had a comparative advantage and expertise in a few areas including education which could 'yield high return in terms of poverty reduction, economic stability, and investment creation...'. He gave the example of Australian scholarships for young professionals who could 'make lasting contributions in Afghanistan in the area of policy formulation and change management'.⁸

13.8 The committee has described Afghanistan's poor record on education starkly demonstrated by the lack of opportunities for girls and women to access education. Indeed, for some witnesses, education for girls should be a priority.

Girls

13.9 The Afghanistan Independent Human Rights Commission noted that girls have very limited educational opportunities in most parts of the country, particularly in rural and insecure areas and encounter many cultural and traditional constraints in exercising their right to education. Indeed, according to the Commission, girls constitute about two-thirds of all children who do not go to school and there are no female students in secondary schools in around 200 districts. The report also noted that in recent years, in different parts of the country, including in Kabul, there had been suspicious attacks on girls' schools.⁹

13.10 Mr Poulter stated that promoting gender equality in education was particularly important because cultural norms often do not allow women or girls to travel far making it difficult for them to access education. He explained that secondary schools

3 *Committee Hansard*, 4 December 2012, p. 37.

4 *Committee Hansard*, 4 December 2012, p. 37.

5 *Committee Hansard*, 4 December 2012, p. 37.

6 *Submission 5*, p. 1.

7 *Submission 5*, p. 1.

8 *Submission 13*, p. 2.

9 Afghanistan Independent Human Rights Commission, *Fifth Report: Situation of Economic and Social Rights in Afghanistan*, November/December 2011, p. 90.

tend to be in urban centres and most of the people live far away from those. Such populations can only be reached through a community school but that requires infrastructure and the development of teachers so they have the skills and level of education necessary to teach others.¹⁰ Mr Krishnan explained that the problem with education was not that parents were unwilling to send their girls to school but because of the fear of violence against their daughters. He stated:

They do not have schools nearby, which means that the girls have to walk two or three kilometres every day. There are no female teachers in the schools, particularly in higher schools. The parents will not have the young laymen teaching their girls... There are no toilets for girls in schools, there are no drinking water facilities and there is no privacy for those girls in schools. Parents are afraid to send them—not because they do not want their daughters to learn—but because the environment does not provide them that scope to send them without fear.¹¹

13.11 The number of female teachers is also very low and they face many and various security problems in unsafe parts of the country—250 districts do not have a female teacher. Disadvantage which starts with primary education for girls carries through subsequent levels and is then reflected in the workforce. Thus women are also underrepresented in the administration—in 2010–11, women constituted about 20 per cent of government employees and around half of all ministries and governmental institutions had less than 10 per cent of women as part of their personnel.¹²

13.12 Oxfam also drew attention to interrupted education, a common experience especially for girls in Afghanistan. It suggested that the Australian Government improve access to education and training for illiterate rural women by prioritising funding for accelerated learning programs that address interrupted schooling and community based education initiatives run by local organisations. In addition, it was of the view that funding should also go toward 'establishing rural and remote vocational training centres for training in basic health, midwifery, paramedics, social work, small business enterprise and agricultural production'.¹³ Finally Oxfam informed the committee:

Often we have found that female students who have above average grades in year 12 are denied access to places at universities, in particular in large cities, because they do not have sufficient accommodation or sanitation facilities. Finally, these women and girls are getting through primary education, through secondary education and then are unable to access places at tertiary institutions to fill much-needed roles as teachers or nurses

10 *Committee Hansard*, 4 December 2012, pp. 39–40.

11 *Committee Hansard*, 4 December 2012, p. 60.

12 Afghanistan Independent Human Rights Commission, *Fifth Report: Situation of Economic and Social Rights in Afghanistan*, November/December 2011, pp. 90–92.

13 *Committee Hansard*, 22 March 2013, p. 9.

or doctors purely because there is not enough accommodation to house them or they do not have separate sanitation facilities for women.¹⁴

13.13 Oxfam saw value in funding that would go toward improving access to higher education for rural women with the building of facilities for women at existing tertiary institutions such as accommodation and sanitation facilities, and establishing rural and remote technological institutes in nursing, teaching and information technology.

Education—a priority for Australia

13.14 Education is one sector where development assistance has made substantial improvements in Afghanistan. Furthermore, the delivery of education services has been a major focus of Australia's aid program in Afghanistan.¹⁵ For example, Australia's funding through the ARTF education program has helped to deliver 5,000 classrooms, train in excess of 90,000 teachers and award 3,351 scholarships to female recipients enrolled in teacher training colleges.¹⁶

13.15 Australia also provides assistance through programs such as the Malaysia Australia Education Project for Afghanistan (MAEPA), which is intended to strengthen the Afghan education sector. AusAID identified this program as one of the key development achievements in 2010–11 under which 30 master teacher trainers had been trained in Malaysia, including 10 women.¹⁷ This project has now trained 60 master teacher trainers, who in turn have trained 340 teacher trainers in Afghanistan.¹⁸ AusAID highlighted the cascading effect of this program:

Following the MAEPA course, the Trainers return to teaching colleges across Afghanistan to deliver pre-service and in-service training that improves the quality of Afghan teachers.¹⁹

13.16 Given the success of the model, the Prime Ministers of Malaysia and Australia agreed to explore opportunities for Afghan recipients of Australian development scholarships to undertake their studies at Australian institutions of higher education in Malaysia.²⁰

Recommendation 6

13.17 The committee recommends that AusAID should ensure that its support for the education sector includes an adequate focus on education quality, and specifically on learning outcomes and teacher training.

14 *Committee Hansard*, 22 March 2013, p. 9.

15 AusAID, answer to written question on notice no. 14.

16 *Submission 16*, p. 41.

17 AusAID *Submission 16*, pp. 32–33.

18 AusAID, *Annual Report 2010–2011*, p. 121.

19 AusAID *Submission 16*, pp. 32–33.

20 Prime Minister of Australia, the Hon Julia Gillard MP, Media Release, Australian-Malaysian Joint Statement, 3 March 2011, <http://www.pm.gov.au/press-office/australian-malaysian-joint-statement> (accessed 3 January 2013).

Recommendation 7

13.18 The committee recommends that the Australian Government continue to support the Malaysia Australia Education Project for Afghanistan and to explore ways to build on its successes. The committee recommends that the Australian Government give particular attention to achieving a significant quota of women for the program, which may require additional effort to ensure that young women are graduating from year 12 and then have the opportunity to take up the offer of a scholarship.

Recommendation 8

13.19 The committee recommends further that DFAT together with AusAID encourage, assist and fund the establishment of an alumni organisation designed to foster and strengthen the people-to-people links between Afghan graduates from Australian institutions under the various scholarship programs and the respective institutions.

13.20 The committee has considered the suspension of the Australian Leadership Awards Scholarships, which it regards as a very serious setback particularly at this most critical time of transition when consolidation of such programs should be a priority.

Recommendation 9

13.21 The committee recommends that the Australian Government ensure that the Australian Leadership Awards Scholarships for Afghan students, or a suitable replacement, commence as soon as possible.

Uruzgan

13.22 In Uruzgan, Australian aid has supported the building of numerous schools including the highly regarded Trade Training School. The committee has highlighted the development achievements in Uruzgan during 2010–11 which included boosting the capacity of the provincial government by providing literacy, numeracy and administrative training to its officials.²¹ In light of these achievements in education, the task ahead is to consolidate and protect these gains. Mr Philip informed the committee that:

One of the encouraging aspects about education in Uruzgan is that even though the province is often described as very conservative—rural and isolated—it was rare to come across a community that did not want its children to be educated nor schools to be constructed.²²

13.23 The Prime Minister has announced that through the transition two main projects would continue in Uruzgan. The first was working with Save the Children, on the four-year program 'Children of Uruzgan' project, which focuses on the delivery of

21 AusAID, *Annual Report 2010–2011*, p. 122.

22 *Committee Hansard*, 3 December 2012, p. 14.

basic health and education services in the six districts of Uruzgan.²³ Save the Children Australia is working with the Ministry of Education and Ministry of Public Health, local NGO partners and communities to deliver this program.²⁴

13.24 In 2011, AusAID awarded the agency \$36 million for the program. Save the Children, which has been in Afghanistan since 1976 and in Uruzgan for over 15 years, described this program as a flagship partnership with AusAID:

It is one of the most ambitious aid projects ever undertaken by an Australian NGO.²⁵

13.25 Building local capacity is one of the program's key goals with the objective of training 30 community leaders and nearly 2,000 members of health councils and parents' associations to become advocates for the importance of health and education in their communities.²⁶ It also hopes to train 1,000 teachers, including female teachers, establish 100 early childhood development groups and 125 literacy groups specifically for women.²⁷

Conclusion

13.26 Education is not only a sector where notable achievements have been made but also one of the key building blocks for future development. The committee supports Australia placing a high priority on education in its Afghan aid program but would like to see much greater emphasis given to improving school attendance and the quality of teaching. To achieve higher retention rates and uninterrupted schooling, the aid program must address the obstacles holding parents back from sending their children to school, especially girls. It must also provide a pathway to higher education.

13.27 The committee understands that the Australian Government needs to reconsider carefully how it can support work in insecure areas of the country, (especially in Uruzgan where Australia has had a presence). As Australian staff pull back to Kabul, agencies such as AusAID must develop strong partnerships with trusted NGOs and other organisations, which can absorb significant funding and

23 Save the Children website, 'About Children of Uruzgan', <http://www.savethechildren.org.au/emergency/cou/about-children-of-uruzgan/> (accessed 15 January 2013).

24 Save the Children website, 'About Children of Uruzgan', <http://www.savethechildren.org.au/emergency/cou/about-children-of-uruzgan/> (accessed 15 January 2013).

25 Save the Children website, 'About Children of Uruzgan', <http://www.savethechildren.org.au/emergency/cou/about-children-of-uruzgan/> (access 15 January 2013).

26 Save the Children website, 'About Children of Uruzgan', <http://www.savethechildren.org.au/emergency/cou/about-children-of-uruzgan/> (access 15 January 2013).

27 Save the Children website, 'About Children of Uruzgan', <http://www.savethechildren.org.au/emergency/cou/about-children-of-uruzgan/> (access 15 January 2013).

where they have strong links with, and support from, local communities. As the Uruzgan PRT dismantles, the committee underlines the importance of AusAID ensuring that there is a planned, carefully phased transfer of the responsibility for delivering services to government ministries or to NGOs on the ground. The NGOs should have a proven track record in the relevant sector and have cultivated deep connections with local NGOs, civil society organisations and, importantly, the local communities.

Recommendation 10

13.28 The committee recommends that the Australian Government expand its support for girls' education in Afghanistan.

Recommendation 11

13.29 The committee recommends that the Australian Government support the Afghan Ministry of Education to disaggregate enrolment figures by gender.

Recommendation 12

13.30 The committee recommends that AusAID increase its support for programs that aim to increase community participation in the management of schools, including supporting local governance structures.

Recommendation 13

13.31 The committee recommends that AusAID continue its support for the 'Children of Uruzgan' program providing a clear commitment to a reliable and secure source of funding post 2014.

Chapter 14

Rural development and food security

14.1 Conflict not only takes human life but destroys food and water sources, such as irrigation systems; degrades the land; and disrupts markets. According to ActionAid, the three decades of war in Afghanistan has meant that the agricultural sector 'has been neglected completely changing from a major source of exports to subsistence level production'.¹ Afghan farmers have not only endured decades of war devastating their food producing capabilities and depleting critical seed stock, but are also subject to a harsh climate and highly vulnerable to natural disasters especially prolonged droughts.² The committee has referred to the importance of ensuring that Australia's aid to Afghanistan is well targeted and in sectors where Australia is best placed to make a positive contribution. In this chapter, the committee considers Australia's contribution to assisting Afghanistan rehabilitate its agricultural sector and develop its mining industry.

Land use in Afghanistan

14.2 Afghanistan is a highly agrarian society with about 80 per cent of the population living in rural areas. Yet only a fraction of the land is suitable for agriculture with the mountainous terrain meaning that 'vast tracts of land cannot be irrigated or cultivated'.³ According to ACIAR, approximately 8 million Afghan farmers depend on crop-livestock production systems for their livelihood. Save the Children, Oxfam and World Vision drew attention to the vulnerability of many of these farmers. It stated that subsistence farmers make up half of the population that depend on agriculture as their main livelihood source and are 'greatly exposed to seasonality and unable to maintain their livelihoods for up to half of the year'.⁴

14.3 Raising livestock is also essential for rural Afghan families that keep small ruminants and dairy cows as a source of income and for insurance in times of need, crisis, or celebration.⁵ ACIAR noted that in Afghanistan 'forage of sufficient quality for livestock has always been a limited resource and worsens during years of drought'.⁶ Indeed, with regard to livestock, ACIAR informed the committee that for much of the year, the animals are in very poor condition and not only suffer from a

1 *Submission 11*, p. 11.

2 See for examples comments by Adel-El-Beltagy, Director General, ICARDA, in The Robert S. McNamara Seminar: Agriculture, Growth and Human Security, The Role of Agriculture and Agricultural Research in Generating Growth and Post Disaster Reconstruction, Transcript, 2 July 2003, p. 28.

3 Save the Children, Oxfam and World Vision Australia, *Submission 6*, p. 17 and ActionAid, *Submission 11*, p. 10.

4 *Submission 6*, pp. 17–18.

5 *Submission 1*, Attachment A, p. 1.

6 *Submission 1*, Attachment A, p. 1.

shortage of quality fodder but also of roughage. They also carry quite a significant burden of parasites.⁷

14.4 Even allowing for Afghanistan's difficult environment, the country's yields are very low at the moment and its rural areas are producing only a fraction of their potential. The ADB noted that the growth in agricultural production of cereals, fruits and nuts, and livestock has failed to keep up with Afghanistan's overall growth in population. Agriculture's share of GDP over the period 2002–2010 fell from the equivalent of 30 to 15 per cent and, in recent years, Afghanistan has had to import food with some provinces requiring food aid due to shortages. The sector's poor performance is a serious problem for the country, because, according to the ADB's evaluation, 'an estimated 85% of the population depends directly or indirectly on agriculture and agricultural products, which also account for about half of all exports.'⁸

Summary

14.5 Although security is the main priority in a number of Afghanistan's provinces, overall agriculture rates as one of the country's top concerns. This high rating reflects the sheer number of Afghans who rely on agriculture for their livelihood.

14.6 Whatever the future holds for Afghanistan, agriculture will be central to its prosperity and the wellbeing of its people. Its importance to the welfare of Afghans will be even greater should the country suffer any setbacks on its road to recovery. Thus, helping Afghanistan to achieve sustainable improvements in agriculture must be a priority for donor countries, especially for Australia, which has proven research skills and expertise in this area of arid and semi-arid agriculture.

Australia's contribution

14.7 ACIAR anticipated that improved germplasm combined with better agronomy or crop management could increase yields significantly and therefore improve household food security and income in Afghanistan.⁹ Improved, reliable and greater wheat production would not only decrease reliance on costly wheat imports and international food aid efforts but also contribute to food security, income generation and rural employment opportunities.

7 *Committee Hansard*, 3 December 2012, p. 33.

8 ADB, *Islamic Republic of Afghanistan*, Country Assistance Program Evaluation, Independent Evaluation CE–28, 2012–2013, paragraph 22.

9 *Committee Hansard*, 3 December 2012, pp. 32–33.



Afghanistan's agricultural sector has been neglected 'changing from a major source of exports to subsistence level production'.

14.8 Australia occupies a reasonably unique position as a developed economy that shares many of the ecological, climatic and soil conditions of arid and semi-arid conditions found in Afghanistan.¹⁰ Also ACIAR, a well-established Australian agriculture research institute, 'can work alongside developing countries in addressing some of their priorities'.¹¹

14.9 The committee has noted the work that ACIAR and AusAID have done to promote agriculture in Afghanistan. ACIAR's assistance to Afghanistan goes back many years starting in 2002, when it supported its first multilateral project in Afghanistan, led by the International Maize and Wheat Improvement Center. The project was seeking to deliver better suited wheat and maize cultivars. Initially, AusAID provided funding to the project named 'The Seeds of Strength' for two years commencing in July 2002.¹² During this project, NGOs distributed wheat, together with fertiliser, to 9,000 farmers in four provinces. ACIAR reported that the new varieties of wheat had yielded up to 5 tonnes per hectare and better, 'almost double the yield of locally favoured varieties'.¹³

14.10 The *Independent Review of Aid Effectiveness* cited Australian support to Afghanistan's farmers as a notable achievement. It noted that Australian aid had helped 'identify and promote better wheat and maize varieties; yields have increased by more than 50 per cent and were expected to increase total production by more than \$100 million'.¹⁴

14.11 Even so, witnesses, including a number from NGOs that recognise the primacy of agriculture in Afghanistan, highlighted the importance of accelerating agriculture and rural development to help eradicate extreme poverty and hunger in Afghanistan (MDG 1).¹⁵ ActionAid observed that after ten years of direct intervention by the international community, there was still little recognition of how critical Afghanistan's agricultural sector was for this country's development.¹⁶ Caritas noted:

Due to increasing insecurity and Afghanistan's recurrent exposure to hazards such as drought and flooding, a vast majority of the country's 30.4 million people are chronically or acutely vulnerable. As many as three million individuals are affected by natural disasters, including 2.8 million by recurrent drought. In this context food security is a primary concern for many Afghans especially for the 85% who rely on agriculture for their livelihoods.¹⁷

10 *Committee Hansard*, 3 December 2012, p. 31.

11 *Committee Hansard*, 3 December 2012, p. 31.

12 *Submission 1*, p. 2 and ACIAR, *Annual Report 2002–03*, p. 53.

13 ACIAR, *Annual Report 2003–04*, pp. 67–68.

14 *Independent Review of Aid Effectiveness*, April 2011, p. 155.

15 Caritas Australia, *Submission 10*, p. 2 and Save the Children, Oxfam and World Vision Australia, *Submission 6*, pp. 17–18.

16 *Submission 11*, p. 9.

17 *Submission 10*, p. 2.

14.12 The importance of intensifying the effort in this area is underscored by some troubling trends including changing climate (less rainfall and higher temperatures) and land degradation. According to Save the Children, Oxfam and World Vision:

The most vulnerable groups to climate change in Afghanistan are poor farmers and pastoralists that are least able to adapt to changing conditions. Meanwhile, as a result of both drought and increased poverty, coupled with poor natural resource management, the availability of wild food resources has also been strained, and supplies have been overharvested, further degrading land.¹⁸

14.13 In their view, these projections call for a reconsideration of existing agricultural approaches in Afghanistan to foster economic growth and build the resilience of communities to adapt to the effects of climate change. The three NGOs noted that 40 per cent of arable land was currently used for the production of cereals, predominantly wheat. Although wheat is a high-value crop, they suggested that it was important to reconsider its dominance given that the crop is highly water-intensive. They recommended that further research be conducted into new or improved varieties of crops, including wheat, chickpea, lentil, barley and mungbean, particularly pulses and beans, that provide higher yields than local varieties, require less water, are nitrogen-fixing, provide feed for animals and are edible by humans. This would also help address nutrition deficiencies.¹⁹

14.14 Dr Bizhan also argued that agriculture requires more attention. He noted that Afghanistan is a country that is facing many challenges in this area because only 12 per cent of the land is arable and the climate is dry. In his view, Australia could share its experience at macro level and at policy level.²⁰ Uruzgan in particular could benefit from a greater concentration of effort on its agriculture (according to the ANDS, the province's top priority is security, followed by governance then agriculture). The TLO report noted that Uruzgan is beset by droughts and poor irrigation systems which make it difficult for farmers to count on reliable harvests and grow enough produce to sell surpluses in the market. The report noted, however, that most development money spent in the province continued 'to be spent on indirect economic expansion through the improvement of basic infrastructural elements such as roads, schools, and clinics rather than on direct investment in the local agrarian economy'.²¹

Summary

14.15 The committee supports Australia's funding in the agriculture sector and recommends that as Australia's projected aid contribution to Afghanistan increases that agriculture remain a priority. Further, the committee suggests that ACIAR in

18 *Submission 6*, p. 18.

19 *Submission 6*, pp. 17–18.

20 *Committee Hansard*, 4 December 2012, p. 23.

21 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 28.

collaboration with international and national NGOs give fresh thought to how they can best help the farming sector in Afghanistan manage changing conditions.

Distribution and accessibility

14.16 A number of witnesses not only wanted to see an increased effort in assistance to farmers and a renewed way of thinking about Afghan farming systems but wanted existing problems with delivering current assistance addressed. In particular, they argued that attention should be given to ensuring that the poorer farmers were able to take full advantage of the benefits of research, education and improved infrastructure.

14.17 Save the Children, Oxfam and World Vision referred to employing better methods of distributing improved seed varieties and fertilisers. Notably, they stressed the importance of ensuring that in Afghanistan the rural poor have equitable access to seeds and fertilisers. The three NGOs noted:

One of the significant criticisms of the Ministry of Agriculture, Irrigation and Livestock (MAIL)'s current seed distribution program is that it is only accessible to medium-large sized farmers who have the means to purchase subsidised packages, thereby failing to support poor farmers.²²

14.18 They suggested that the Afghan Government work with NGOs to identify appropriate ways to reach the poorest households in remote and insecure areas.²³

14.19 ActionAid also stated that food security and distribution continued to be a major problem and both were sources of 'vulnerability for the Afghan people'.²⁴ The organisation's Country Director for Afghanistan, Mr Krishnan, informed the committee of his concern about farmers' access to seed stock. He explained that the government requires farmers to buy seeds from government-certified depots only, but that a poor farmer cannot afford to buy seeds from the centres. Furthermore, when no stock is available in the depot, the farmer cannot sow his own seeds. Mr Krishnan could not understand this 'strange policy' whereby a farmer is not allowed to grow his own seeds but must buy the seeds from a certified seed company.²⁵

14.20 ACIAR provided the committee with additional information on the seed centres.

There were more than 100 local seed multiplication companies in 2012 which multiply registered seed, predominantly of wheat, received from the parastatal Improved Seed Enterprise and sell the resulting certified seed to the National Seed Board which organizes subsidized distribution of certified seed to farmers, largely supported by donors...Recent policy discussions have emphasised a gradual shift from the public sector system dominated by the National Seed Board towards a free market system.²⁶

22 *Submission 6*, p. 18.

23 *Submission 6*, p. 18.

24 *Submission 11*, p. 9.

25 *Committee Hansard*, 4 December 2012, p. 58.

26 Answer to written question on notice no. 3.

14.21 According to ACIAR, its sustainable wheat and maize improvement project seeks 'to enhance the supply of improved seed varieties and “examine ways in which community multiplication for wheat seed and improved wheat seed could be strengthened”'. It informed the committee that this objective recognises that distribution channels in Afghanistan are inadequate and options for improvement will be considered. It noted further, however, that at present its key focus was on 'the research and development of improved seed varieties, together with more efficient wheat crop husbandry practices'. The Afghan government's policy on seed access was not a primary focus of ACIAR's project.²⁷

Summary

14.22 Outreach is central to the success of programs designed to help farmers benefit from research and must be an integral part of program design, implementation and evaluation. If farmers have difficulty gaining access to the advanced lines and improved varieties of seeds produced through projects such as the wheat and maize improvement project, then the project is incomplete—it is failing.

Train the farmers

14.23 Save the Children, Oxfam and World Vision noted further that as well as providing support for improved seeds, it was important to 'train farmers in improved farming techniques to increase crop yields in a sustainable manner'.²⁸ Mr Krishnan added that most donor support had gone into building systems in Kabul, but had not percolated down to the people on the ground. Aside from the NSP other programs tended to be centred in Kabul and therefore do not reach the grassroots.²⁹

14.24 He gave an example based on ActionAID's experience in the northern provinces where the organisation created what it called 'barefoot agricultural trainers'. Under the project, young, qualified, interested farmers from the community were chosen and underwent intensive training on different types of farming. According to Mr Krishnan, the young farmers are now back in the community and advising other farmers and the results 'have been wonderful'.³⁰

Women in agriculture

14.25 The third matter that Save the Children, Oxfam and World Vision highlighted was the importance of designing agricultural programs to encourage greater participation of women. They noted studies showing that women were more likely than men to invest in their children's health, nutrition and education. As a consequence, they argued that:

Agricultural interventions that increase women's income and their control over resources can dramatically increase the potential for positive child

27 Answer to written question on notice no. 2.

28 *Submission 6*, p. 18.

29 *Committee Hansard*, 4 December 2012, p. 58.

30 *Committee Hansard*, 4 December 2012, p. 59.

nutrition and health outcomes, and the results are most pronounced among the lowest income groups.³¹

14.26 The three NGOs cited the governance model established under the NSP, managed by the Ministry of Rural Rehabilitation and Development and implemented through local and international NGOs. They explained:

Under the NSP, each village establishes a gender-balanced community development council through a democratic process. Each community development council must plan, manage and monitor its own development projects in consultation with the village community, with an emphasis on the participation of women in decision-making.³²

14.27 The committee has noted the success of this program. Importantly, with regard to agriculture, the three NGOs noted that an independent evaluation of the NSP indicated that it had led to increased involvement of women in local governance and suggested replicating the model as a means of harnessing greater participation of women in the design of agricultural programs.³³

Disaster reduction and management—building resilience

14.28 A number of witnesses also mentioned the importance of increasing donor commitment to disaster risk reduction at the community level. Mr Poulter stated that there can be 'a diversion of attention, with the focus, understandably, on stabilisation and strengthening of government'. He indicated that sometimes the humanitarian crisis in Afghanistan can be ignored.³⁴

14.29 Caritas drew attention to the vulnerability of a great many Afghans to the effects of natural disasters. It suggested that while humanitarian work should be resourced adequately, it should be accompanied by an expansion of disaster preparedness and disaster risk reduction activities in order to build the resilience of communities.³⁵ ActionAid stated that drought and other natural disasters had caused major food insecurity in the country—a problem that had existed since the start of international involvement but one that requires much greater attention.³⁶ According to Mr Krishnan:

In Afghanistan, the problem is the small disasters that hit almost on a regular basis. We have not had a widespread, huge, massive disaster in spite of being in an earthquake zone. What we have had are floods that affect three districts, four districts. At those times, the donor interest is also much less because there is not enough size to the disaster; there is not enough

31 *Submission 6*, p. 20.

32 *Submission 6*, p. 20.

33 *Submission 6*, p. 20.

34 *Committee Hansard*, 4 December 2012, p. 36.

35 *Submission 10*, pp. 2 and 4 and *Committee Hansard*, 4 December 2012, p. 50.

36 *Submission 11*, p. 10.

media interest in that. So people have to cope with the disasters themselves.³⁷

14.30 ActionAid noted that although billions of dollars had been sunk into different agricultural programs, people remained concerned about achieving durable long-term solutions for natural disaster management such as tackling issues of drought.³⁸ In its assessment, current efforts in the agricultural sector were 'scattered, uncoordinated and had a piecemeal rather than sectoral approach based on a broader vision'.³⁹ Mr Krishnan referred to the Afghanistan National Disaster Management Authority but suggested that at the provincial level there was no understanding of disaster response or disaster reduction. He stated:

They are totally disconnected from Kabul. Whereas, at the Kabul level, they are getting support from the UNDP, their Director-General is flying all over the world on a monthly basis, but they have no understanding at the grassroots level.⁴⁰

14.31 Mr Naeem noted that currently donors in Afghanistan focus less on environmental protection and preservation and suggested that Australia assist in this 'cross-cutting issue'.⁴¹

Committee view

14.32 With its considerable experience and increasing expertise in this area of dry land agriculture, Australia is well placed to continue its significant role in assisting Afghan agriculturalists, including its poorer farmers, to improve the productivity of their land. The committee notes the three areas identified as having the potential to give greater momentum to the benefits already accruing from international assistance in the area of agriculture:

- improved accessibility for poorer farmers to the benefits of research;
- emphasis on training farmers; and
- inclusion of women in every facet of improving agricultural production including the nutritional content of the produce.

14.33 The committee is of the view that Australia's assistance to Afghanistan in the food security sector pay close attention to these areas.

14.34 The committee understands that ACIAR funds multinational organisations to deliver its aid. Even so, the committee believes that through its links to, and support of, relevant centres such as ICARAA, Australia can advocate that, while high level research needs to have practical application, assistance programs also need to ensure

37 *Committee Hansard*, 4 December 2012, p. 59.

38 *Submission 11*, p. 10.

39 *Submission 11*, p. 11.

40 *Committee Hansard*, 4 December 2012, pp. 58–59.

41 *Submission 5*, p. 1.

that poorer farmers have access to, and training in appropriate use of, new, improved crop varieties and technologies.

Recommendation 14

14.35 The committee recommends that the Australian Government ensure that as Australia's ODA increases in the coming years that the funding in the area of food security and agriculture increases proportionately.

Recommendation 15

14.36 The committee recommends that AusAID and DFAT use their influence with the Government of Afghanistan, relevant line ministries and major multilateral organisations delivering agricultural assistance to reinforce the importance that such assistance:

- ensures that poorer farmers have affordable and easy access to seed centres and appropriate technologies;
- takes account of the need to train farmers, especially those in the poorer communities, to apply the benefits of agricultural research and development;
- involves women in all aspects of aid funded agriculture projects to enable women and their families to benefit from reforms in agriculture; and
- includes disaster risk management, especially building the resilience of poor Afghan farmers to withstand natural disasters, as a necessary component.

14.37 The committee recommends further that the four principles identified above are given priority when designing, planning and implementing Australian-funded agricultural projects in Afghanistan.

Recommendation 16

14.38 The committee also recommends that the Australian government provide direct support for agricultural development programs based on the four principles in recommendation 15.

Opium cultivation

14.39 In the context of agriculture in Afghanistan, a number of witnesses were concerned about the level of recognition given to opium cultivation and its importance to the country's economy.

Dependency

14.40 Opium has become Afghanistan's leading economic activity and accounts for almost 90 per cent of the world's production.⁴² According to a World Bank study,

42 Islamic Republic of Afghanistan, *Afghanistan National Development Strategy, 1387–1391(2008–2013), A Strategy for Security, Governance, Economic Growth and Poverty Reduction*, p. 5.

opium is Afghanistan's most important agricultural crop by value and provides much-needed livelihoods for many people in rural areas. While the cultivation of opium may bring short-term gains for the rural population, it distorts incentives to develop a sustainable formal agriculture sector in the long run. In addition, the large criminal profits of the drug industry 'undermine governance, fuel corruption, nurture dysfunctional politics, and ultimately stimulate insecurity and conflict'.⁴³ While removing economic reliance on opium is a development priority for Afghanistan, its importance as a high-value, storable commodity with a ready market and a secure cash crop, means that this objective will not be easy to achieve.⁴⁴

14.41 The Governor-led opium poppy eradication initiative achieved a 154 per cent increase in eradication in 2012 compared to its 2011 level (9,672 hectares eradicated in 2012). Even so, the total area under opium poppy cultivation in Afghanistan was estimated at 154,000 hectares (125,000–189,000) in 2012, which represented an 18 per cent increase in cultivation. According to the UN Office on Drugs and Crime, in 2012 the potential opium production, however, was estimated at 3,700 tons (2,800–4,200 tons), a 36 per cent fall from the previous year. This decrease was due to reduced opium yield caused by a combination of a disease of the opium poppy and adverse weather conditions, particularly in the Eastern, Western and Southern regions of the country.⁴⁵

14.42 The vast majority of total cultivation, accounting for 95 per cent, took place in nine provinces in Afghanistan's Southern and Western regions, including the country's most insecure provinces where cultivation remained stable (72 per cent of opium cultivation was concentrated in Helmand, Kandahar, Uruzgan, Day Kundi and Zabul). The UN Office on Drugs noted this regional divide in opium production, whereby cultivation was mainly confined to provinces dominated by insurgency and organized criminal networks. In its view, this pattern of cultivation confirmed 'the link between insecurity and opium cultivation observed in the country since 2007'.⁴⁶

14.43 Clearly, the effects of opium cultivation on the economy, polity, and Afghan society are far reaching. Although opium production may produce some short-term economic benefits for the rural population, these gains are vastly outweighed by the detrimental effects on security, political stabilisation, and state building, which are central to sustainable and high quality growth.

14.44 Witnesses were similarly concerned about the adverse effects of poppy cultivation in Afghanistan; donors failure to acknowledge the problem; and their lack

43 The World Bank, *Afghanistan in Transition: Beyond 2014*, vol. 2: Main Report, May 2012, p. 26.

44 The World Bank, *Afghanistan in Transition: Beyond 2014*, vol. 2: Main Report, May 2012, p. 26.

45 United Nations Office on Drugs and Crime, *Afghanistan Opium Survey 2012*, Summary Findings. November 2012, p. 4.

46 United Nations Office on Drugs and Crime, *Afghanistan Opium Survey 2012*, Summary Findings. November 2012, pp. 5 and 27.

of effort to help curb production. The Australian Council for International Development referred to poppy production as 'a real threat and that viable measures to counter this trend should be identified'.⁴⁷ ActionAid stated that during the last decade the Government of Afghanistan and the international community have claimed their highest commitment to opium eradication. Yet it indicated that:

...the opium problem is causing agriculture backwardness and promoting poverty in Afghanistan and all intentions and claims for fighting it has had very little impact.⁴⁸

14.45 Professor Howes and Mr Pryke recommended that rather than avoid the issue of opium production, Australia's aid strategy should contain explicit analysis of the prevalence and trends in poppy production in Afghanistan.⁴⁹ It should also determine a position on whether one of the aims of Australia's aid is to reduce poppy production and, if so, what strategies would be used.⁵⁰

14.46 ACIAR does not conduct work on poppies but argued that, if it made a contribution towards the prosperity of farmers growing wheat and other crops and livestock, then it might reduce the propensity of those farmers to seek to cultivate poppies as a source of income. In other words, having an alternative to poppies could help—if farmers have choices, there is a better chance they will move away from that particular crop.⁵¹

Committee view

14.47 The heavy reliance by some areas of Afghanistan on opium production underscores the importance of development assistance encouraging farmers away from cultivating the opium poppy by providing them with a viable substitute. The committee has made a number of recommendations designed to provide farmers and local communities with the incentive to do so.

Mining

14.48 Afghanistan has abundant mineral resources (natural gas, petroleum, coal, copper, silver, gold).⁵² Since the 1970s, however, most have not been successfully

47 *Submission 3*, p. 2.

48 *Submission 11*, p. 10.

49 *Submission 14*, p. 11. They indicated that in some districts in Uruzgan 50–80 per cent of the population was involved in opium poppy cultivation.

50 *Submission 14*, p. 11.

51 *Committee Hansard*, 3 December 2012, p. 33.

52 See for example, Moore Stephens, *Afghanistan Extractive Industries Transparency Initiative (AEITI), Afghanistan Second EITI Reconciliation Report*, 1389, October 2012, p. 7; Mr Scott Dawson, AusAID, *Committee Hansard*, 3 December 2012, p. 9 and U.S. Department of the Interior and U.S. Geological Survey, *Preliminary Non-Fuel Mineral Resource Assessment of Afghanistan*, USGS Open-file Report 2007–1214, 2007, p. xxxi.

developed nor systematically explored using modern methods.⁵³ Afghanistan also poses particular risks for mining enterprises seeking to take advantage of mineral opportunities. The environment can be challenging and expensive, with many of the reserves located in remote, rugged mountains that lack infrastructure, power and a readily available trained workforce. Some of the areas are subject to extreme seasonal changes with harsh winters in higher altitudes. Security, tribal conflicts and local power struggles further complicate efforts to develop mineral properties.⁵⁴

14.49 The committee recognises the challenges confronting mineral companies seeking to extract Afghanistan's mineral reserves. Its main concern, however, is with the safeguards needed to ensure that mineral exploration and extraction does not cause harm to local communities, result in unnecessary environmental damage, fuel corruption or derail sustainable development.

Potential driver of development

14.50 The committee has referred to the critical need for Afghanistan to develop the potential to generate its own revenue in order to meet the looming fiscal shortfall. At the moment, mining in Afghanistan is substantially an untapped resource, which contributes only marginally to the country's GDP—less than 0.5 per cent during the 2000s.⁵⁵

14.51 Afghanistan has a very substantial fiscal gap that it will need to fill and, as mentioned previously, has limited existing sources for economic growth and employment. One of the great hopes for Afghanistan's future economy derives from the potential to exploit its mineral wealth. The World Bank has estimated that potentially there is around \$1 trillion worth of revenue and resource available for the country.⁵⁶ Even so, mining profits are not expected to come on line for another decade. According to AusAID, the careful management of its extractive industries will

53 See Stephen G. Peters, Trude V.V. King et al, *Summaries of Important Areas for Mineral Investment and Production Opportunities of Nonfuel Minerals in Afghanistan*, vol. 1, U.S. Department of the Interior and U.S. Geological Survey, Open-file Report 2011–1204, 2011, p. 1.

54 Moore Stephens, *Afghanistan Extractive Industries Transparency Initiative (AEITI), Afghanistan Second EITI Reconciliation Report, 1389*, October 2012, p.7 and Stephen G. Peters, Trude V.V. King et al, *Summaries of Important Areas for Mineral Investment and Production Opportunities of Nonfuel Minerals in Afghanistan*, vol. 1, U.S. Department of the Interior and U.S. Geological Survey, Open-file Report 2011–1204, 2011, p. 32.

55 The World Bank, *Afghanistan in Transition: Beyond 2014*, vol. 2: Main Report, May 2012, p. 26; Extractive Industries Transparency Initiative, 'Afghanistan publishes mining revenues and contracts', 19 October 2012. The article refers to the expected increase in revenues.

56 The World Bank, *Afghanistan in Transition: Beyond 2014*, vol. 2: Main Report, May 2012, p. 26 and *Committee Hansard*, 3 December 2012, pp. 9–10. See also United Nations Assistance Mission to Afghanistan, Featured News, 'Managing Afghanistan's mineral wealth', 2 August 2012, <http://unama.unmissions.org/Default.aspx?tabid=12254&ctl=Details&mid=15756&ItemID=35578&language=en-US> (accessed 6 February 2013).

provide the Government of Afghanistan with 'a very significant boost' to its finances and its 'capacity to finance delivery of basic services including health and education'.⁵⁷

Australia's contribution

14.52 Dr Bizhan noted that mining infrastructure is a sector where Australia has a comparative advantage and expertise.⁵⁸ In his view, Australia could not only provide technical assistance to Afghanistan in the area of mining but also encourage the Australian private sector to invest in that country.⁵⁹ Indeed, the Memorandum of Understanding between the Government of Afghanistan and the Government of Australia, identified mining as a sector where Australia has particular expertise, comparative advantage and can have the most impact.⁶⁰

14.53 A number of reports, however, raise concerns about the detrimental effects that mining could have—the resource curse—on a conflict-affected country such as Afghanistan.

Concerns about mining in Afghanistan

14.54 The term 'resource curse' refers to the situation where, despite the potential for prosperity, resource-abundant countries underperform: where exploitation of their resources in effect undermines their economy. The curse can be linked to inflation, disparity in the distribution of wealth, poor public services, corruption that counters economic development and destruction of the environment. For example, corrupt leaders and officials may misappropriate income from these resources and instead of supporting the country's growth and development, use it for personal enrichment. Such inequalities can fuel local grievances leading to conflict.⁶¹

14.55 Already rent by ethnic and tribal rivalries and troubled by corruption, Afghanistan would be vulnerable to this curse. Indeed, a recent independent review of the ARTF stated that China and India's significant mining investments and increasing interest in oil and gas exploration in Afghanistan makes the concern about the 'resource curse' more urgent than ever. According to the review, the resource curse may become 'a major challenge for all development partners'.⁶²

57 Mr Scott Dawson, AusAID, *Committee Hansard*, 3 December 2012, p. 9.

58 *Submission 13*, p. 2.

59 *Submission 13*, p. 7.

60 Memorandum of Understanding, 'Development Framework Agreement', between the Government of the Islamic Republic of Afghanistan and the Government of Australia, 2012–2017, p. 4, <http://www.aisaid.gov.au/countries/southasia/afghanistan/Documents/aus-afghanistan-development-framework-agreement-2012-17.pdf> (accessed 18 January 2013).

61 See also United Nations Assistance Mission to Afghanistan, Featured News, 'Managing Afghanistan's mineral wealth', 2 August 2012, <http://unama.unmissions.org/Default.aspx?tabid=12254&ctl=Details&mid=15756&ItemID=35578&language=en-US> (accessed 6 February 2013).

62 Scanteam, Analysts and Advisors, *ARTF at a Cross Roads: History and the Future*, Final Report, Oslo, September 2012, p. 2.

14.56 In this context, the UN Secretary-General referred to fears within Afghanistan that the windfall from mining 'could perpetuate civil conflict'. Drawing from recent world-wide history, he noted that since 1990 at least 18 violent conflicts had been fuelled by the exploitation of natural resources such as timber, minerals, oil and gas.⁶³ According to the Secretary-General:

Sometimes this is caused by environmental damage and the marginalization of local populations who fail to benefit economically from natural resource exploitation. More often it is caused by greed.⁶⁴

14.57 Some witnesses underscored their fears that mining development in Afghanistan could generate serious security, social and environmental problems and were wary of development assistance being used in this sector. For example, AID/WATCH drew on the history of mining in developing countries to show that 'economic growth from the mining sector rarely translates to improvements in income or basic services for the poor'.⁶⁵

14.58 A member of AID/WATCH's committee of management, Mr Gareth Bryant, referred to how mining activities could generate conditions favourable for the resource curse, exemplified by social inequality, political corruption and ecological damage. In his assessment, the problem with relying on mining was that it proceeds to the 'detriment of other more sustainable and more participatory forms of economic development'. Thus, all the money would flow into the mining industry thereby crowding out other sectors and rendering them unviable. He also noted that mining was not a large employer resulting in the bulk of society being excluded from the mainstream economy while the elite few participating in the mining industry become the main beneficiaries. He suggested that a sustainable way to develop Afghanistan's economy was to start from its existing strength especially developing agriculture in a way that gives people good alternatives to poppy seed production.⁶⁶ Also to his mind, in a divided country like Afghanistan mining could exacerbate the divisions. He explained that the problem was the structural basis of mining, which excludes people:

...the economic surplus from mining is a rent and is a windfall which excludes ordinary people. There is a dual economy and that money will flow to political and economic elites, fuelling corruption et cetera.⁶⁷

63 See also United Nations Assistance Mission to Afghanistan, Featured News, 'UN chief says discovery of vast mineral deposits in Afghanistan should be managed properly', <http://unama.unmissions.org/Default.aspx?tabid=12254&ctl=Details&mid=15756&ItemID=35927&language=en-US> (accessed 6 February 2013).

64 United Nations Assistance Mission to Afghanistan, Featured News, 'UN chief says discovery of vast mineral deposits in Afghanistan should be managed properly', <http://unama.unmissions.org/Default.aspx?tabid=12254&ctl=Details&mid=15756&ItemID=35927&language=en-US> (accessed 6 February 2013).

65 *Committee Hansard*, 4 December 2012, p. 43 and also *Submission 23*, p. [4].

66 *Committee Hansard*, 4 December 2012, pp. 44–45.

67 *Committee Hansard*, 4 December 2012, pp. 44–45.

14.59 According to Mr Bryant, the Government of Afghanistan had begun awarding mining rights to multinational corporations, with Australian mining companies publicly expressing an interest in investing in Afghanistan's resources. DFAT informed the committee that although there was general interest, it was unaware of specific Australian companies interested in mining in Afghanistan.⁶⁸

14.60 Mr Bryant noted that AusAID supported mining in Afghanistan by providing training programs and mapping geological resources. In his view, such activities blur 'the boundaries between making projects that would otherwise exist more sustainable and making Afghanistan's mining industry more profitable for private interests and private investors'.⁶⁹ He argued that there was 'little evidence that democratic support will be a precondition for mining projects supported by AusAID in Afghanistan'. He argued:

Instead, AusAID's plan risks becoming another form of boomerang aid to the Australian mining industry, justified in terms of our economic national interest while locking the people of Afghanistan into a problematic development path.⁷⁰

14.61 On behalf of AID/WATCH, he urged the Australian Government to:

- cease using aid to promote minerals extraction in Afghanistan in favour of participatory forms of community development;
- enact legislation to ensure that Australian mining companies operating overseas are held to the same social and environmental standards as they are in Australia; and
- participate in international efforts to promote self-determination at the local and national level in mining developments.⁷¹

14.62 Mr Loewenstein pointed out that there was virtually no post-conflict or current conflict country endowed with massive natural resources that, as a means of supporting its people, had managed mining well. To his mind, this was a major concern.⁷²

14.63 In response to concerns about mining development in Afghanistan, AusAID agreed that resource dependence in its narrow economic definition (measured by the share of primary exports in GDP) had the potential to foster political and economic instability, conflict and corruption in resource-rich developing countries. It argued, however, this situation could be avoided with appropriate management. It informed the committee that:

68 *Committee Hansard*, 22 March 2013, p. 28.

69 *Committee Hansard*, 4 December 2012, p. 44.

70 *Committee Hansard*, 4 December 2012, p. 44.

71 *Committee Hansard*, 4 December 2012, p. 44.

72 *Committee Hansard*, 4 December 2012, p. 33.

The empirical evidence conveys a mixed picture. Some countries have been able to avoid the risks associated with resource extraction and benefit from the opportunities to improve the living standards of their citizens.⁷³

14.64 According to AusAID, notable examples include Timor Leste and Chile.⁷⁴

14.65 AusAID noted the importance of unlocking Afghanistan's considerable resource holdings in a way that was transparently and inclusively managed. According to Mr Lehmann, the Afghan Government was seeking to learn about mining, an area where Australia could make a difference. Indeed, the Afghan Government and its relevant ministries look for guidance from countries, such as Australia, which have particular expertise in tackling issues across the spectrum of mining activity.⁷⁵ He told the committee:

While we do not pretend to be the biggest thing in mining for Afghanistan, particularly from the point of view of the aid program, there are certain niche areas where we really do think we can provide targeted assistance and support to the ministry, to other parts of government and to the ministry of finance to ensure that those transparency mechanisms are up and running when these projects come on stream.⁷⁶

14.66 AusAID is interested in providing assistance to the governance of Afghanistan's extractive industries from the perspective of building the capacity of its oversight institutions to improve mineral sector governance, including transparency and accountability.⁷⁷ Its focus is on how Australia can improve Afghanistan's compliance with the Extractive Industries Transparency Initiative (EITI)—a significant international initiative to improve transparency in relation to revenues from the minerals sector. The initiative sets out a series of best international practice arrangements for the management of mineral revenues.⁷⁸

14.67 Afghanistan is currently a candidate country for full membership, and is seeking to become a fully-compliant country.⁷⁹ The deadline for the Afghan government to implement the EITI standards and undergo the relevant validation in order to become an 'EITI Compliant' country was 9 August 2012.⁸⁰ AusAID informed the committee that the Afghan Government submitted a request for an extension to the

73 Answer to written question on notice no. 32.

74 Answer to written question on notice no. 32.

75 *Committee Hansard*, 3 December 2012, pp. 9–10.

76 *Committee Hansard*, 3 December 2012, p. 10.

77 *Committee Hansard*, 3 December 2012, p. 9.

78 *Committee Hansard*, 3 December 2012, p. 9.

79 *Committee Hansard*, 3 December 2012, p. 9. See also <http://eiti.org/countries> (accessed 25 February 2013).

80 See Moore Stephens, *Afghanistan Extractive Industries Transparency Initiative (AEITI), Afghanistan Second EITI Reconciliation Report*, 1389, October 2012, p. 7; <http://eiti.org/files/Afghanistan-2010-2011-EITI-Report.pdf> (accessed 10 March 2013); Mr Scott Dawson, AusAID, *Committee Hansard*, 3 December 2012, p. 4.

validation deadline which was granted and the EITI Board was now reviewing Afghanistan's final validation report.⁸¹

14.68 It should be noted that, although AusAID promotes EITI abroad through its aid program, Australia is yet to sign up to implement EITI domestically. It has, however, launched an EITI pilot and agreed to host the biennial EITI Global Conference in May 2013.⁸²

14.69 When Australia announced its decision to pilot the EITI, the EITI Chair, Claire Short, stated that Australians were 'now taking further steps to practice what they preach'.⁸³ The committee recognises the need for transparency in the exploitation of Afghanistan's extractive industries and of the importance of Australia strengthening its advocacy for Afghanistan to become EITI compliant.

14.70 The type of assistance that AusAID is considering to help Afghanistan improve its governance of the minerals sector involves education and training. Under the Mining for Development Initiative, AusAID intends, from 2012, to provide 36 Australian Development Scholarships annually to public servants from key Afghan government ministries including six to the Ministry of Mines. The aim is to assist the Afghan Government to improve its capabilities and to achieve development objectives.⁸⁴ Other programs in support of Afghanistan's mining sector are likely to focus on:

- providing support for the reform of legislation and regulation relevant to the modernisation of the mining sector;⁸⁵ and
- supporting the government, particularly the Ministry of Mines, to establish their own capacity to handle the investment pipeline from concept and exploration to extraction and then the flow of revenues to ensure there is maximum benefit from extractive industries to the Government of Afghanistan and therefore to its budget and ability to deliver services.⁸⁶

Proposed legislation

14.71 Since the Tokyo conference on Afghanistan, there has been quite a considerable amount of activity connected to the passing of a minerals law through the Afghan parliament. According to AusAID, the ministry and Afghan Government, with the support and urging of donors, were taking legislation and regulation with a focus

81 Answer to written question on notice no. 14 submitted after 22 March 2013 hearing.

82 EITI, 'Australia to pilot the EITI', 27 October 2011, <http://eiti.org/news-events/australia-pilot-eiti> (accessed 1 May 2013).

83 EITI, 'Australia to pilot the EITI', 27 October 2011, <http://eiti.org/news-events/australia-pilot-eiti> and EITI conference 2013 in Sydney, <http://eiti.org/news-events/australia-host-eiti-conference-2013> (accessed 1 May 2013).

84 AusAID, *Overview of Australian assistance for sustainable mining across the world*, <http://www.ausaid.gov.au/aidissues/Documents/mining-for-development-part2.pdf>.

85 *Committee Hansard*, 3 December 2012, p. 9.

86 *Committee Hansard*, 3 December 2012, p. 9.

on transparency and accountability very seriously. Mr Lehmann indicated that although the regulatory framework was a work in progress, one advantage of having a nascent industry in Afghanistan was the opportunity to put in place structural legislative and regulatory mechanisms that would 'vouchsafe the revenue stream for the future'.⁸⁷

14.72 According to the October 2012 Afghanistan Economic Update, however, uncertainty about a new mineral law, was clouding progress in the mining sector. It stated:

While investor interest in the sector is encouraging, gaps in the legal and regulatory framework of the sector do not provide sufficient confidence to investors to start operations or make firm commitments.

14.73 The update noted that a new law was in preparation but had been heavily debated.⁸⁸ According to AusAID, as of April 2013, the new draft Minerals Law was still being debated within the Afghan Government.⁸⁹

14.74 In light of the serious concerns expressed by the UN Secretary-General and the independent review of the ARTF as well as the sorry history of the resource curse in conflict-affected countries, the committee believes that much greater effort is required to help Afghanistan ensure that it is not afflicted by this curse.

Recommendation 17

14.75 The committee recommends that AusAID continue to encourage and offer advice and technical assistance to help Afghanistan become and remain a fully-compliant member of the Extractive Industries Transparency Initiative.

Recommendation 18

14.76 The committee recommends that AusAID continue to encourage and offer advice and technical assistance to the relevant line ministry in Afghanistan to develop a robust legal and regulatory regime for extractive industries in Afghanistan.

Recommendation 19

14.77 The committee recommends that the Australian Government should, through the Afghan Government, make itself available to support local community involvement in all aspects of a proposed mining activity in their locality, including matters such as planning and oversight, particularly when it comes to the environment, local employment and investment of some of the mining revenue in local industries.

87 *Committee Hansard*, 3 December 2012, p. 10.

88 The World Bank, *Afghanistan Economic Update*, October 2012, pp. 1 and 13.

89 Answer to written question on notice no. 15 following hearing on 22 March 2013.

Recommendation 20

14.78 The committee recommends that AusAID monitor its Australia Development Scholarship Program to ensure that its administration is sound; that the selection process is open and transparent; that there is a close correlation between the courses undertaken and the development needs of Afghanistan; and that the students return to Afghanistan to take up positions in that country.

Chapter 15

Aid delivery channels

15.1 As foreign troops withdraw and government revenue shrinks, one of the key concerns with development assistance to Afghanistan is ensuring the uninterrupted delivery of basic services currently funded by the international community and in many cases delivered by NGOs. The lack of capacity within the Afghan administration to deliver basic services presents donor countries with particular challenges—selecting the right mechanisms to help fill this gap while at the same time helping the country to become self-reliant.

15.2 Another important consideration is sustaining the achievements brought about through aid. The committee has discussed the importance of concentrating on critical sectors not only to maintain Afghanistan's momentum toward development but to prevent any reversal. In this chapter, the committee continues its consideration of the steps that Australia can take to ensure the effectiveness of its aid to Afghanistan as the country moves toward the transformation decade. Having considered the particular sectors Australia should fund, the committee, in this chapter, is concerned with the mechanisms for aid delivery—on budget systems, international NGOs and local community groups or civil society.

On budget funding

15.3 For many years now, Australia has allocated a significant portion of its ODA directly to the Government of Afghanistan to support the ANDS using in particular the ARTF. The fund has proven to be a successful means of delivering assistance to Afghanistan and of strengthening the country's institutions.¹ Australia's focus on channelling assistance through the fund is to continue. As noted previously, the Australian Government has undertaken to direct 50 per cent of its aid funding to Afghanistan through national systems.

15.4 AusAID informed the committee that Australia had exceeded this target in 2011–2012 with approximately 55 per cent (\$93 million) of AusAID's funding being directed to Afghan systems. Of this sum, \$92 million went through the ARTF, which represented 54 per cent of AusAID's ODA to Afghanistan.² Australia rates highly among the donor community for the proportion of its funding that is on budget.³

1 Ms Jennifer Rawson, DFAT, *Committee Hansard*, 3 December 2012, p. 3.

2 AusAID, answer to written question on notice no. 1.

3 Islamic Republic of Afghanistan, Ministry of Finance, *Development Cooperation Report, 2012*, Table 2, p. 29,
<http://www.undp.org.af/Publications/2013/Development%20Cooperation%20Report%20-%202012.pdf>.

Table 15.1: Achieving the 50% on-budget commitment of the Kabul Process(current ratio of aid channelled through the core budget by donor countries)⁴

Donor	On-budget	Off-budget		Donor	On-budget	Off-budget
Asian Dev. Bank	100%	0%		Sweden	29%	71%
Isl. Development Bank	100%	0%		Canada	28%	72%
World Bank	100%	0%		European Union	27%	73%
Finland	67%	33%		Norway	27%	73%
Australia	60%	40%		Poland	17%	83%
Netherlands	58%	42%		United States	11%	89%
Denmark	53%	47%		France	6%	94%
Japan	46%	54%		India	0%	100%
United Kingdom	46%	54%		New Zealand	0%	100%
Italy	44%	56%		Switzerland	0%	100%
Germany	36%	64%		Turkey	0%	100%
Czech Republic	34%	66%		United Arab Emirates	0%	100%

15.5 The majority of witnesses recognised the sound work of the ARTF and supported Australia's commitment to boost its funding to Afghanistan's national budget through the fund.⁵

Committee view

15.6 The committee commends the government's decision to direct 50 per cent of its ODA through national systems and for achieving this objective. The advantages of this arrangement include close alignment with Afghanistan's priorities, better

4 This table is taken from Islamic Republic of Afghanistan, Ministry of Finance, *Development Cooperation Report, 2012*, Table 2, p. 29, <http://www.undp.org.af/Publications/2013/Development%20Cooperation%20Report%20-%202012.pdf>.

5 See chapter 5 paragraphs 5.53–5.64. For example, Dr Bizhan noted that it would be important that Australian assistance use Afghan government systems and channels such as on-budget mechanisms by using the Trust Funds and the government budget. *Submission 13*, p. 2.

coordination of funds from a number of different donors and close monitoring and evaluation of projects.⁶

Recommendation 21

15.7 The committee recommends that the Australian Government continue to channel a substantial proportion of its ODA (at least 50 per cent) to the Afghanistan Reconstruction Trust Fund.

15.8 The committee also recommends that the Australian Government use its influence with other donor countries to encourage them to abide by the Kabul communiqué and channel 50 per cent of their ODA through the Afghan national budget.

15.9 The committee recommends further that, in light of the findings of the recent 2012 independent review of the ARTF, the Australian Government continue to encourage the World Bank to implement the review's recommendations.

15.10 The committee, however, notes that the government in Afghanistan is highly centralised and the administration's capacity to deliver basic services is severely constrained. In this regard, the National Solidarity Program (NSP) has been particularly successful in promoting local ownership through its community-based projects. Even so, the lack of capacity in the administration to deliver essential services effectively remains a major obstacle now and into the foreseeable future as Afghanistan endeavours to take charge of its own affairs. NGOs, which have had an important place in providing development assistance, even at times of heightened insecurity, will be a critical link in Afghanistan's transition to self-reliance.

NGOs

15.11 The committee has noted NGO's contribution in Afghanistan, particularly their determination to remain working with communities even during the most difficult of times. Their continuity, understanding of the communities they serve and ability to work safely in insecure environments will be vital as Afghanistan enters the transformation decade.⁷

15.12 Currently, critical services such as healthcare and education are funded almost entirely by international donors with NGOs being a vital link in the delivery chain. According to Caritas, as a result of this investment, considerable achievements have been made towards the MDGs and a solid foundation for service delivery has been established. It warned, however, of the risk that such gains would be threatened if the Afghan Government had 'no strategy for ensuring an uninterrupted delivery of essential services to the Afghan people'.⁸ Caritas informed the committee that it was crucial that the donor community supports the delivery and development of basic

6 The fund and its advantages were discussed fully in chapter 5.

7 See Chapter 6 especially paragraph 6.13. See for example Caritas, *Submission 10*, p. 2.

8 *Submission 10*, p. 1.

service provision in well-coordinated ways both through the Afghan Government and through bilateral partners. Mr Fernandez explained:

In order to build upon hard-won gains in health and deliver on some of the indicators in the health MDGs...there is a need to scale up partnership approaches, like the BPHS, that are proving to be successful.⁹

Summary

15.13 The evidence is clear—ministries, line ministries and Afghan institutions need to develop their capacity if they are to assume responsibility for funding and providing basic services. Also, given the decentralised nature of government in Afghanistan, the success of transition to Afghanistan leadership will also depend on the capacity of local administrations to serve their communities. Thus, stronger and enduring connections need to be established in Afghanistan between district, provincial and federal bodies and civil society.¹⁰ In this regard, the committee has noted the significant successes that have resulted from community-based programs such as the National Solidarity Program and the major contribution that NGOs have made in delivering education and health services under the program. Looking to post 2014, some NGOs are likely to continue to fill the gap in the Afghan Government's capacity to deliver services on the ground.

Phasing out of PRTs

15.14 Through the transition period and into the transformation decade, the role of international donors is intended to evolve from delivering services directly to supporting and helping the Afghan Government to build the capacity of its institutions so that it can exercise its sovereign authority in all its functions.¹¹ This shift will 'entail the phasing out of all PRTs, as well as the dissolution of any structures duplicating the functions and authority of the Government of Afghanistan at the national and sub-national levels.'¹²

15.15 The UN Secretary-General recognised that transition offered 'the chance for significant realignments, bringing civilian agencies increasingly to the fore'. He cautioned, however, that this change 'must be subject to careful planning and preparation', explaining that:

Provincial reconstruction teams, for example, have provided significant logistical and financial assistance at the sub-national level. Their evolution must not mean the evaporation of funding and assistance for local

9 *Committee Hansard*, 4 December 2012, p. 50.

10 See as an example, Caritas Australia, *Submission 10*, p. 1.

11 The International Afghanistan Conference in Bonn, Conference conclusions, 'Afghanistan and the International Community: From Transition to the Transformation Decade', 5 December 2011, paragraph 9.

12 The International Afghanistan Conference in Bonn, Conference conclusions, 'Afghanistan and the International Community: From Transition to the Transformation Decade', 5 December 2011, paragraph 9.

government, but rather the continuity of support for sustainable Afghan systems of governance.¹³

15.16 The Australian led PRT has continued to fund infrastructure upgrades and carry out education and health care projects all in support of the transition. Approximately \$30 million has been spent directly in Uruzgan province where Australia maintains a sizeable troop presence.¹⁴ As noted earlier, approximately 20 per cent of AusAID's program to Afghanistan would be directly focused on Uruzgan province for the 2012-13 financial year.¹⁵

15.17 Mr Dawson explained that in the coming years AusAID would strengthen its Kabul-based presence as its programs in Uruzgan wound down with the transition to Afghan taking responsibility for security.¹⁶ Australia's intention is to have a strong but less direct role in the province and to deliver assistance through development programs administered at the national level. AusAID acknowledged that this approach carried risks beyond the general security threats and cited Afghanistan's weak governance systems and widespread corruption. It explained that Australia would try 'to mitigate these risks by insisting the Government of Afghanistan makes progress on its own commitments to tackle corruption'.¹⁷

15.18 AusAID also stated that it would manage its increased aid budget to Afghanistan effectively and work closely with other agencies during its transition out of Uruzgan Province. It indicated that it would limit its exposure by having credible partners deliver Australian aid and put in place 'robust monitoring and evaluation processes' and respond quickly if it detected any irregularities.¹⁸

15.19 The committee has mentioned the 'Children of Uruzgan' program delivered through Save the Children.¹⁹ The second Australian program to operate in Uruzgan will be delivered through a UN agency—UN Office for Project Services (UNOPS)—and involve rural road construction and rehabilitation. AusAID expected that Australian aid would also be used during transition and thereafter to help the provincial government develop its basic administrative and financial management

13 United Nations, General Assembly, Security Council, A/66/855-S/2012/462, Report of the Secretary-General, 20 June 2012, paragraph 69.

14 *Submission 20*, p. [2].

15 Answer to written question on notice no 8.

16 *Committee Hansard*, 3 December 2012, p. 2.

17 AusAID, *Annual Report 2011–12*, p. 7.

18 AusAID, *Annual Report 2011–12*, p. 7.

19 Save the Children website, 'About Children of Uruzgan', <http://www.savethechildren.org.au/emergency/cou/about-children-of-uruzgan/> (access 15 January 2013).

capacity.²⁰ AusAID informed the committee of two additional activities that would continue in Uruzgan past 2013—a sanitation and hygiene program delivered in conjunction with a Dutch NGO; and a small scale infrastructure program (retaining walls, bridges and wells) delivered through the UNDP in partnership with the Ministry of Rural Rehabilitation and Development.²¹

15.20 In this regard, the committee understands that AusAID undertakes and publishes an assessment of multilateral organisations in relation to, among other things, their 'poverty orientation and impact' and value for money.²² It does not do so for NGOs.

Summary

15.21 The committee notes AusAID's assurances that, although it is to pull its staff back to Kabul, it intends to maintain at least two main projects in Uruzgan—'Save the Children' to deliver the 'Children of Uruzgan' program and UNOPS to deliver a reconstruction project as well as two smaller projects. The committee has considered the advantages in using multilateral organisations and international NGOs to deliver aid in Afghanistan. It found that NGOs have made a valuable contribution by helping to deliver services and would continue to have a pivotal role through the transition. Evidence before the committee also highlighted the central importance of building partnerships between communities, civil society, government, donors and NGOs in achieving the effective delivery of essential services.²³

15.22 To this stage, the committee has mentioned only in passing the role of local NGOs and civil society organisations as partners in delivering assistance. A number of witnesses, however, have underscored their importance in service delivery particularly as Afghanistan moves toward self-reliance.

Civil society including local NGOs

15.23 Mr Poulter, CARE Australia, noted that a healthy society has, as well as effectively functioning governments at the national and local level, a vibrant civil society.²⁴ Many other witnesses agreed with this view and argued that Afghanistan's

20 Answer to written question on notice no. 8 provided the following details: Children of Uruzgan Program (\$35.7 million, 2011-15); Uruzgan Rural Roads Program (\$25 million, 2012-15), Small Project Facility (\$13.9 million, 2010-13) managed by GIZ, and Support for Local Government Program (\$10 million, 2011-13), implemented by GIZ. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has supported Afghanistan's reconstruction since 2002. In total, GIZ has around 320 seconded and more than 1,500 local staff working on around 60 projects in Afghanistan. See <http://www.giz.de/en/worldwide/358.html>.

21 *Committee Hansard*, 22 March 2013, p. 30.

22 AusAID, *Australian Multilateral Assessment*, March 2012, <http://ausaid.gov.au/partner/Documents/ama-full-report.pdf>. The assessment generally covers multilateral organisations that receive AusAID funding, Terms of Reference, <http://ausaid.gov.au/HotTopics/Documents/AustralianMultilateralAssessmentTOR.pdf>.

23 See chapter 6, paragraphs 6.15–6.26. See also *Submission 10*, p. 1.

24 *Committee Hansard*, 4 December 2012, p. 37.

civil society would also have an essential place in assisting the Afghan Government move through its transition. Caritas highlighted the importance of local and national governance recognising the value of civil society:

The success of withdrawal relies upon the transition to Afghan leadership, much of which must be exercised at the local level given the decentralized nature of the Afghan political structure.²⁵

15.24 Thus, it argued that civil society engagement and participation were necessary to encourage government transparency and to make programs more responsive to people's needs. In its view, an active functioning civil society was 'essential to the delivery of equitable development and the achievement of the MDGs'.²⁶ Mr de Groot underscored this important role of civil society:

...there is certainly a role for the emergence and fostering of greater civil society leadership and agency within Afghanistan post 2014. There is today, and that needs to increase. The Tokyo agreements that talk about directing 50 per cent of the ODA to government we understand and support. The other 50 per cent we think civil society should be really encouraged to come forward and access and show how effective they are.²⁷

15.25 Some witnesses would like to see an increased use of local NGOs and civil society organisations (CSOs). They suggest that these smaller local organisations have been left aside by Afghan and international decision makers: that they have not been sufficiently consulted nor given the chance to contribute to decisions that will deeply affect the life of Afghans.²⁸ For example, Mr de Groot was of the view that there was space to further engage small, local NGOs for capacity and community building. He could see that they would be needed to govern their schools and their health systems and hold their government to account. Indeed, he said that they would be the future and needed to be nurtured. His organisation, Caritas, argued that NGOs were well placed as impartial, independent agencies to work with local communities, and women in particular, to build their capacity to engage in local level decision making forums.²⁹ According to Mr de Groot, Caritas had adopted an approach that would allow greater opportunity for civil society structures to emerge and for it to partner with more small community-based organisations.³⁰ He spoke of civil society actors in country, as well as international NGOs 'trying to walk in solidarity to help meet community needs, not just now but over time'.³¹

25 *Submission 10*, p. 1.

26 *Submission 10*, p. 1.

27 *Committee Hansard*, 4 December 2012, p. 54.

28 See for example, *Submission 5*, pp. 1–2.

29 *Submission 10*, p. 1.

30 *Committee Hansard*, 4 December 2012, p. 54.

31 *Committee Hansard*, 4 December 2012, p. 54.

15.26 In its submission, the Afghan Development Association maintained that through the use of local partners it could 'develop the capacity of local partners and implement programs efficiently and effectively as compared to other approaches'. It stated further that by using local partners, the communities feel ownership in the development activities; therefore, they 'provide full security and protection to the staff and programs'.³²

15.27 Mr Bryant, AID/WATCH, advocated a move toward more local NGOs while Oxfam argued that empowering local civil society organisations was 'the way to go'.³³ According to the TLO report, several smaller Afghan NGOs lamented a perceived shift of AusAID to funnel its money either through bigger international NGOs or the Afghan Government. A respondent to the TLO review noted the inefficiency of this trend, stating:

The Australians don't give money to small NGOs, but only to big ones, even though those then in turn need implementing partners. Why not give the money directly to local NGOs and eliminate the middle-man?³⁴

15.28 Mr Lowenstein submitted that Australia has a choice to support existing local Afghan NGOs. In his view, some of the NGOs were doing 'wonderful work' and getting access to, and operating in, areas where foreign troops were not present. He indicated, however, that a number of them were not tied to the government and needed support. It appeared to him that in many cases elements of the Australian Government and AusAID did not really want to think of using local NGOs as an option.³⁵ He stressed the need for Australia and AusAID to provide support for local organisations doing work on the ground. To his mind, it was unfortunate that very few of them were getting support from Australia and that the issue of local NGOs had been 'largely ignored for a long time'.³⁶

15.29 Mr Leahy, CARE Australia, also highlighted the important role of civil society in Afghanistan in managing aid. He noted, however, that the frameworks developed through the Tokyo process—the mutual accountability framework and subsequently the aid management policy—are almost silent on the role of civil society in monitoring and participating in decision making around aid programs. In CARE's assessment, that omission was significant.³⁷ While recognising the importance of local NGOs, Caritas explained that 'regardless of their capacity civil society will be

32 *Submission 5*, p. 1.

33 *Committee Hansard*, 4 December 2012, p. 46 and 22 March 2013, p. 11.

34 TLO, *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, pp. 12–13.

35 *Committee Hansard*, 4 December 2012, p. 31.

36 *Committee Hansard*, 4 December 2012, pp. 32–33.

37 *Committee Hansard*, 4 December 2012, p. 36.

ineffective if they are omitted from decision making, planning and implementation processes'.³⁸

15.30 The Afghan Australian Development Organisation informed the committee of the 'great demand for village based education and training initiatives, with classrooms formed in the homes of local leaders and public village mosques'.³⁹ A representative of the organisation, Mrs Bianca Pilla, explained that smaller, locally based organisations that have very well-established linkages with local government can 'achieve a lot more in terms of challenging the cultural norms or building acceptance amongst local leaders'. They are able to work with local leaders and in effect convince them that community based education programs are beneficial and do not challenge cultural norms and are safe. According to Mrs Pilla:

Given how scared people in Afghanistan are about what is going to happen post-2014, they are more likely to accept that model of education after 2014.⁴⁰

15.31 She noted further:

...there is not enough of an emphasis on programs with community based education and with accelerated learning programs. I think there is a challenge with Australian organisations not having the linkages with local organisations who can really get into the remote rural areas and establish this kind of community based education model.⁴¹

15.32 The committee appreciates the importance of involving local NGOs in project design and implementation. Local NGOs or civil society organisations suffer from a number of weaknesses including lack of physical resources—offices, supplies and remoteness from the central government.⁴² For example, Mr Poulter referred to the limitations of local NGOs including their inability, at times, to gain access to discussions happening in ministries in Kabul because of technology or language problems or physical remoteness⁴³

15.33 Mr Naeem, Afghan Development Association, suggested that in the current context some part of Australian aid be allocated to strengthen NGOs/CSOs as started by Tawanmandi. Launched by a consortium of donors, this program aims to strengthen CSOs across Afghanistan and is funded by the UK, Sweden, Denmark and Norway.⁴⁴ According to AusAID, it used lessons learnt from the Tawanmandi

38 *Submission 10*, p. 1.

39 *Committee Hansard*, 22 March 2013, p. 9.

40 *Committee Hansard*, 22 March 2013, p. 10.

41 *Committee Hansard*, 22 March 2013, p. 10.

42 Tawanmandi website, *CSOs Mapping Exercise, An analytical overview of the advocacy efforts of CSOs across Afghanistan*. pp. 5 and 12, <http://www.tawanmandi.org.af/english/images/files/Tawanmandi-Mapping-Report.pdf> (accessed 12 March 2013).

43 *Committee Hansard*, 4 December 2012, p. 37.

44 *Submission 5*, p. 2.

program in Afghanistan to inform the development of its new program—the Australia Afghanistan Community Resilience Scheme.⁴⁵

15.34 This program is intended to fund up to five Australian and international NGOs to work with Afghan NGOs to deliver food security and livelihood programs in rural Afghanistan.⁴⁶ On 17 December 2012, however, the Australian Government announced that it was going to reprioritise resources within the aid budget. As a result, the 2012-13 revised budget estimate for the Afghanistan program was reduced by \$11.8 million, which involved deferring the new community resilience program (\$5 million).⁴⁷ The committee is concerned that a program targeted at involving local NGOs has been deferred especially at this time of transition when one of the key concerns is to build the capacity of local people so that they can become a vital part of the service delivery chain to their communities.

Recommendation 22

15.35 The committee understands the importance of ensuring that development assistance reaches the local level and the most vulnerable. It recognises that Australia works through multilateral organisations and NGOs that in turn team up with local organisations. The committee, however, is of the view that more could be done to foster the use of local NGOs. The committee recommends that Australian agencies providing development assistance in Afghanistan place a high priority on selecting international partners that have deep connections and relationships with the local community and use local organisations to help deliver aid.

Recommendation 23

15.36 The committee recommends further that any proposed cut to the aid budget to Afghanistan should take account of the need to defend the gains made to date. One key means of doing so, is by building the capacity of local communities to assume responsibility for delivering front-line services such as education and health. In this regard, the committee notes the deferral of the Australia Afghanistan Community Resilience Scheme and recommends that the Australian Government strengthen not weaken its efforts to involve local NGOs in the delivery of development assistance.

Civil society monitoring and evaluation

15.37 Civil society, including NGOs, can also make a valuable contribution to evaluating projects funded under arrangements such as the ARTF. An examination by Oxfam of the strengths and weaknesses of the World Bank-led trust funds highlighted

45 Answer to written question on notice no. 6 following 22 March 2013 hearing.

46 Answer to written question on notice no. 5.

47 AusAID Afghanistan home page, <http://www.ausaid.gov.au/countries/southasia/afghanistan/Pages/home.aspx#aid> (accessed 2 March 2013). See also AusAID answer to written question on notice no. 2 following 22 March 2013 hearing.

the importance of independent monitoring by civil society and NGOs in the set up and delivery of projects under such funds.⁴⁸ CARE Australia proposed including women in the process of establishing and monitoring internationally funded development programming and government policy.⁴⁹ Mr Leahy suggested that by involving civil society including women, the intention would be to have the programs and the government accountable to the people of Afghanistan and not necessarily to foreign donors such as Australia. He argued that the people of Afghanistan are the owners of their own future, and need to be given a voice.⁵⁰ Mr de Groot also underscored the important role of civil society. He said:

With the 50 per cent that is government focused, we need to set targets to see how effective that is. The way of measuring that is by empowering civil society within Afghanistan to be the judges of how effective that aid is and how their government is performing to meet their needs

So there are lots of roles, not only in the delivery but in the monitoring, the evaluation and their own advocacy to empower civil society...Should that increase more and more? Definitely.⁵¹

15.38 Dr Bizhan identified the need for greater Afghan involvement in monitoring and evaluation so that the Afghan government and others associated with the delivery of aid can be held to account.⁵²

Private sector

15.39 Recently, the IMF suggested that an immediate challenge for Afghanistan was to stabilize the security situation and provide an environment that would encourage the private sector to play a greater role in the economy and become a main engine of growth. According to the IMF that would require—improving governance, safeguarding the rule of law, reducing the role of the illicit sector, and limiting the influence of vested interests.⁵³

15.40 In a similar vein, Mr Dawson, AusAID, indicated that, for the private sector to develop and grow, the Afghan Government needed to provide a broad enabling environment—establish the rule of law, provide court systems to allow commercial arrangements to be properly arbitrated. He also noted the importance of looking to provide the opportunity for private sector development at a lower level. In his view:

Much of the work that has been done around community-level infrastructure, such as basic road rehabilitation, has generated not just a significant number of jobs and labour days, but it has also started to build

48 *Submission 6*, pp. 14–15.

49 *Submission 15*, pp. 11–12.

50 *Committee Hansard*, 4 December 2012, p. 40.

51 *Committee Hansard*, 4 December 2012, p. 54.

52 Answer to written question on notice, no. 5.

53 IMF, Program note, Islamic Republic of Afghanistan, last updated: 2 July 2012, <http://www.imf.org/external/np/country/notes/afghanistan.htm> (accessed 26 October 2012).

and encourage a small private sector engaged in the construction industry, which is a good start for many local-level entrepreneurs.⁵⁴

15.41 Mr Dawson also noted the openings created, particularly through the international presence and through the basic level of services that were beginning to generate private sector activity. He saw this sector's contribution as a critical issue especially during the transition period when employment was needed to absorb increases in population and number of school leavers and youth. This need would continue throughout the transition period and, after that, through the transformation decade.⁵⁵ While Mr Lehmann noted that the future situation was far 'less easy to predict', he was of the view that:

The one thing that commentators consistently say is that the entrepreneurial spirit of the Afghan people is certainly there and very strong. In their resilience, their ability to deal with difficult circumstances and the potential that is created by their position in that part of West Asia.

15.42 Mr Poulter referred to the public sector and individual enterprise as a means of helping recovery through economic growth.⁵⁶ Dr Bizhan noted, however, that the private sector, which could have a critical role in helping Afghanistan move away from aid dependency, has captured less attention. He stated:

When we are focusing on helping an aid-dependent country, we should also think of an exit strategy. In that context, the private sector can be a good platform for or a way to build on that.⁵⁷

15.43 As an example, he cited private sector engagement in the area of education and producing graduates that match market demands. He noted that while there is an emerging private sector in Afghanistan for education with a number of private universities and schools, there was a lack of support for them. In his view this was an area where Australia could help because of its experience in working with the private sector, especially in the area of education.⁵⁸

Recommendation 24

15.44 Considering the commitment that Australia has given to help Afghanistan rebuild and the important role of the private sector in this recovery, the committee recommends that DFAT consider establishing an Australia–Afghanistan Institute. The intention would be for the institute to have a business and education focus that would help pave the way for increased academic and business engagement between both countries and strengthen institutional links between their universities, research institutes and NGOs.

54 *Committee Hansard*, 3 December 2012, p. 13.

55 *Committee Hansard*, 3 December 2012, p. 13.

56 *Committee Hansard*, 4 December 2012, p. 37.

57 *Committee Hansard*, 4 December 2012, p. 22.

58 *Committee Hansard*, 4 December 2012, pp. 22–23.

Afghan diaspora

15.45 There are many Afghans in Australia keen to help Afghanistan recover and to be part of the country's reconstruction.⁵⁹ In response to a question about available mechanisms to assist Afghans in Australia contribute to the rebuilding of Afghanistan, AusAID informed the committee that there were no specific programs addressing this matter through its country program. Mr Dawson did note, however, that other groups assist their home country by registering and getting accreditation as an overseas operating NGO, which enabled them to access funding through the AusAID-NGO Cooperation Program. He also identified other ways interested members of the Afghan diaspora could make a contribution, for example through academic connections or through individual community level linkages that have nothing to do with a funding relationship with the Commonwealth.⁶⁰

Recommendation 25

15.46 The committee recommends that AusAID and DFAT look at implementing concrete and practical ways in which they could assist members of the Afghan community in Australia to contribute to the development of Afghanistan. The proposed Australia–Afghanistan Institute could provide one such avenue.

15.47 The committee recommends further that AusAID look carefully at the requirements for an organisation to be accredited as an overseas operating NGO with a view to giving positive encouragement and support (both funding and administrative) to Afghans in Australia seeking to assist Afghanistan with its recovery.

Conclusion

15.48 The committee fully endorses Australia's commitment to allocate 50 per cent of its aid to Afghanistan through on budget mechanisms. It particularly supports Australia's increasing contribution to the ARTF.

15.49 For many years, Australia has channelled a substantial proportion of its aid to Afghanistan directly through NGOs and continues to do so. The committee acknowledges the good work that is being achieved through this mechanism and recognises that NGOs will have an important role during the transition period and beyond. The committee, however, also recognises the importance of using local NGOs and other civil organisations in Afghanistan to build up their capacity to serve their people. The committee does not suggest that the Australian aid agencies should fund local NGOs directly but should pay close attention to the mechanisms they use to ensure that local NGOs figure prominently in the design, planning and implementation of aid programs.

15.50 The committee understands that Afghanistan needs a healthy private sector in order to drive the necessary economic growth that would provide income earning

59 Information conveyed during a private meeting with representatives from Afghanistan.

60 *Committee Hansard*, 22 March 2013, p. 31.

opportunities for its growing population and generate the revenue needed for government to deliver essential services. In this regard, the committee believes that DFAT and AusAID should be looking at creative and practical ways to encourage Australian organisations, including within the Afghan diaspora, to forge links with the business and academic community in Afghanistan.

Chapter 16

The role of Afghan women

16.1 The committee has considered the central role that civil society could have as partners with the government in helping it build capacity and in delivering basic services. In this context, a number of witnesses underscored the need to recognise the role of women in capacity building. The following chapter looks at the role of Afghan women in the reconstruction and recovery of their country.

Status of women in Afghanistan

16.2 Afghanistan has a legal and policy framework that provides for the protection and advancement of women. The Constitution recognises that the citizens of Afghanistan—whether male or female—have equal rights and duties before the law.¹ Afghanistan is also a signatory to the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW); it has established a National Action Plan for the Women of Afghanistan (NAPWA); and passed the Elimination of Violence Against Women (EVAW) law, which criminalised rape in 2009.

16.3 Despite these measures, international organisations involved in development assistance have, for many years, raised concerns about discrimination against women and girls in Afghanistan evident in female attendance at school, their low literacy rate and domestic violence against women.

16.4 According to a report by the Afghanistan Independent Human Rights Commission, Afghanistan is 'one of the worst places in the world regarding gender equality'.² Women face inequalities and even discriminations in many spheres of social life, such as education, control over resources, access to economic opportunities and justice and, political participation. They face deprivations relating to their right to own and control property, especially owning cash.³ Due to traditional practices that isolate them, women have very limited access to social, legal, medical, or economic protection care or advice.⁴

16.5 Mr Krishnan informed the committee of a 2011 ActionAid survey conducted across six provinces in Afghanistan showing that nine out of 10 women are afraid of what is going to happen regarding their future. He maintained that if the status of

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- 1 The Constitution of Afghanistan, Year 1382, Chapter Two, Fundamental Rights and Duties of Citizens, Article Twenty-two, http://www.afghan-web.com/politics/current_constitution.html
 - 2 Afghanistan Independent Human Rights Commission, *Fifth Report: Situation of Economic and Social Rights in Afghanistan*, November/December 2011, p. 90.
 - 3 Afghanistan Independent Human Rights Commission, *Fifth Report: Situation of Economic and Social Rights in Afghanistan*, November/December 2011, pp. 91–92.
 - 4 Afghanistan Independent Human Rights Commission, *Fifth Report: Situation of Economic and Social Rights in Afghanistan*, November/December 2011, pp. 91–92. See also survey results on attitudes to women working outside the home, The Asia Foundation, *Afghanistan in 2012, A Survey of the Afghan People*, 2012, p. 163.

women or violence against women is a key indicator for progress, then progress has not been achieved in Afghanistan.⁵

16.6 CARE Australia emphasised the importance of women and girls and their involvement in governance and accountability processes.⁶ It was of the view that the donor community was not paying sufficient attention to the roles of civil society, and women and girls particularly, in monitoring and directing the flow of international resources through the Afghanistan government and its aid programs.⁷ Mr Leahy noted that in a country such as Afghanistan, where civil society and nation building are of such critical importance, peace building and conflict prevention need to be considered as factors in all programming. The role of communities, and particularly women and girls, needed to be highlighted and protected in those processes.⁸



Child health checks, Uruzgan Province (image courtesy of AusAID)

5 *Committee Hansard*, 4 December 2012, p. 55.

6 *Committee Hansard*, 4 December 2012, p. 37, *Submission 15*, pp. 11–12.

7 *Committee Hansard*, 4 December 2012, p. 36.

8 *Committee Hansard*, 4 December 2012, p. 36.

Australia's aid program and women

16.7 Gender has become a more visible and prominent facet of aid projects.⁹ Indeed, the Afghanistan's National Development Strategy (ANDS) has nominated gender equality as one of six cross-cutting issues that, if not addressed effectively, could jeopardise the overall success of the strategy.

16.8 Australia has adopted equal access to education opportunities for girls and boys as a key objective of Australia's aid program.¹⁰ The 'Children of Uruzgan' project exemplifies this approach. Also according to Mr Krishnan, Australia was the first donor to announce that it was committing money to end violence against women. He noted that such violence is a primary area of concern, because everyone has been neglecting it for many years, and Australia has 'shown the courage to come out' to support measures to combat violence against women.¹¹



A voter presents her registration card to polling officials.

A voter secretly casts her vote—during the 20 August 2009 Afghan Presidential and Provincial Council election.

(images courtesy of AusAID)

9 Scanteam, Analysts and Advisors, *ARTF at a Cross Roads: History and the Future*, Final Report, Oslo, September 2012, p. 2.

10 AusAID, *Annual Report 2010–2011*, p. 29.

11 *Committee Hansard*, 4 December 2012, p. 57.

16.9 Mr Leahy noted that one of CARE's main priorities in its programming is the empowerment of women and girls and the protection of their rights.¹² He referred to the gains made in this area through the work of CARE, with support from the Australian Government and cited community based education and a DIAC-funded program around the status of widows. He noted that a year after the completion of DIAC'S program for livelihoods, 80 per cent of the people CARE had worked with were continuing to derive an income from the skill gained through the project.¹³

16.10 According to Mr Leahy, the programs were focused particularly on protecting the status of girls and women and, in his view, were an area where the Australian Government has made a valuable contribution to the development and stability of Afghanistan and its future success as a society.¹⁴ He raised concern, however, that:

...the new aid management policy that is being developed, post Tokyo, did not have in the first draft any guidance on gender mainstreaming. To be more specific than that, in terms of consultation processes beyond the national level and between ministries and those that happen at lower levels, and the role and access of women and girls and civil society organisations to those processes—that was not clear and we think that needs to be clear, and monitoring the benchmarks around what that aid is trying to do.¹⁵

16.11 Also in the context of representation, Ms Carol Angir, ActionAID noted that in all discussions about development and transition, the question of where women are in the conversation needs to be asked continually. She stated further that it was not only about female politicians being at the table but about taking deliberate efforts to reach out to women in the community and allowing their voice to be heard.¹⁶ She underscored the importance of ensuring that in numbers women participate in critical political processes in Afghanistan right now, by asking:

Do we have an adequate number of women engaging in all aspects of political decisions in relation to transition, whether we are talking about troops pulling out of Afghanistan, about safety and security, about transitional justice, about livelihood security or about economic policies, and also about development of foreign policies towards Afghanistan?¹⁷

16.12 Although the Afghanistan Independent Human Rights Commission's recent report recognised the efforts made to eliminate gender inequalities, it argued that the current approach to gender and gender inequality was flawed. It stated that the view in governmental and civil society institutions was quantitative and concerned with

12 *Committee Hansard*, 4 December 2012, p. 35.

13 *Committee Hansard*, 4 December 2012, p. 39.

14 *Committee Hansard*, 4 December 2012, p. 35.

15 *Committee Hansard*, 4 December 2012, p. 39.

16 *Committee Hansard*, 4 December 2012, p. 57. Ms Angir is the Senior Program Co-ordinator, Addressing Violence Against Women, ActionAid.

17 *Committee Hansard*, 4 December 2012, p. 57.

increasing the presence of women rather than the quality of their contribution. It stated:

Women's qualitative presence can strengthen their capabilities, such as literacy and professionalism, thereby promoting their status in policy- and decision-making processes. The existing quantitative view further weakens women and as a result, they cannot play an effective role in eliminating gender inequalities. This also slows down the process to eliminate gender inequalities in the society.¹⁸

16.13 Mr Krishnan also underlined the importance of genuine change in behaviour as a measure of success as opposed to surface or shallow improvements. He referred to increased girls' enrolment that did not match the actual attendance at school.¹⁹ Mrs Pilla agreed with the view that there was 'definitely a greater enrolment than there is attendance'.²⁰ In this regard, Mrs Pilla observed:

One of the reasons often given for women's lack of participation with local and provincial conflict-resolution bodies or mechanisms is that they lack education. Not only does this lack of education impact the way that men think about women but it also contributes to women's own acceptance of the status quo and the lack of their confidence and capacity to participate.²¹

16.14 Based on its field work, ActionAid's analysis and interpretation indicated that one reason for the failure to improve the lives of women in Afghanistan could be that the international community has been addressing violence against women as a governance issue. Mr Krishnan stated that in Afghanistan it is not about governance, it is 'a structural issue that is burnt right into the psyche of everyone who is born in Afghanistan'. He explained that addressing the issue through physical measures, such as constructing justice department buildings and placing a couple more women in police stations will not solve the problem. He argued that a paradigm shift was required to change the mindset of people regarding women's rights.²²

Combating violence against women

16.15 At the Tokyo Conference, Australia announced that it would commit \$17.7m over three years to combat violence against women and girls in Afghanistan.²³ Oxfam would like the funding to focus substantially on enhancing the implementation of the EVAW law, including 'through targeted, long-term, programmatic support to women's rights organisations working on the ground in Afghanistan'.²⁴

18 Afghanistan Independent Human Rights Commission, *Fifth Report: Situation of Economic and Social Rights in Afghanistan*, November/December 2011, p. 93.

19 *Committee Hansard*, 4 December 2012, p. 55.

20 *Committee Hansard*, 22 March 2013, p. 12.

21 *Committee Hansard*, 22 March 2013, p. 9.

22 *Committee Hansard*, 4 December 2012, p. 55.

23 *Committee Hansard*, 22 March 2013, p. 7.

24 *Committee Hansard*, 22 March 2013, p. 8.

16.16 Although a number of NGOs welcomed the Australian Government's contribution to combating violence against women in Afghanistan and supporting the women, peace and security agenda, they were calling on the Australian Government to do more toward achieving these goals.²⁵ They made a series of recommendations including:

- provide funding for participation by Afghan women in peace related international summits and to champion women's representation at the High Peace Council and provisional peace councils by 2013–2014 in line with the minimum 25 per cent quota for female parliamentarians;²⁶
- support the capacity for the ministry of women's affairs to implement the EVAW law and for civil society organisations to monitor its implementation;
- support the development and implementation of Afghanistan's national plan on UN Security Council resolution 1325 on Women, Peace and Security so that 'it is not left unfulfilled like some other plans such as the National Action Plan for the Women of Afghanistan'.²⁷

16.17 Amnesty International also called on the Australian Government to release details on the implementation of the Afghan component of the Australian National Action Plan on Women, Peace and Security.²⁸

16.18 Together with Oxfam, Amnesty International raised an additional area where they believed there was scope for concrete action to improve the status of women. They suggested ensuring practical, high-quality training to Afghan National Security Forces including the ANP that would include gender sensitivity, human rights, humanitarian law, rule of law and literacy during 2013–14 and beyond.²⁹ Ms Cousins, Oxfam, informed the committee that:

While the Ministry of Interior Affairs in Afghanistan has set a target for recruiting 5,000 women police by the end of 2014, currently there are only 1,370 women police out of the 149,000 police officers in the Afghan National Police. That is the same level as it was about a year ago. We are not seeing a whole lot of progress. Policewomen face enormous challenges, including sexual harassment, opposition from male police and community members, lack of promotional prospects in the police and being used for menial tasks. Greater emphasis must be placed on projects which can be ODA eligible to address these barriers if more police are to be recruited, retained and able to do their jobs effectively.³⁰

25 See for example, Amnesty International, Oxfam and the Afghan Australian Development Organisation, *Committee Hansard*, 22 March 2013, pp. 7–9.

26 *Committee Hansard*, 22 March 2013, pp. 7–8.

27 *Committee Hansard*, 22 March 2013, p. 8.

28 *Committee Hansard*, 22 March 2013, p. 8.

29 *Committee Hansard*, 22 March 2013, p. 8.

30 *Committee Hansard*, 22 March 2013, p. 8.

16.19 The AFP informed the committee that its members work on gender related issues with the ANP and 'actively encourage ANP executive to provide female ANP members with greater levels of access to formal training and opportunities within the organisation'. It could not, however, provide the committee with information on the number of police women that have been mentored and trained by the AFP in Afghanistan as the data was not available. While it indicated that the number was small, the AFP reported that ten senior female ANP members had completed the 'violence against women' program. With regard to improving attitudes toward females and a greater awareness of the importance of gender equality, the AFP noted that:

...human rights and gender issues are covered as part of the Afghan Ministry of Interior approved Basic Patrolman's Course, Leadership Management Course and management training for supervisors programs at the Police Training Centre.

16.20 Finally, before AFP members are deployed to Afghanistan, they receive pre-deployment training which includes UN certified teaching components relating to human rights standards in an operational environment, such as 'Women, Peace and Security'. Several women have been deployed to Afghanistan.³¹

16.21 Defence informed the committee that Australia's National Action Plan on Women, Peace and Security was not released until March 2012. Because the ADF's mentoring program in Afghanistan for the ANA 4th Brigade was nearing completion at the time, the measures laid out in the Plan were not incorporated into the ADF's training program. Defence noted, however, that 'it would be difficult to prioritise and implement such training in the ANA mentoring environment'. According to Defence, there are very few women in the ANA—less than 400 out of a uniformed strength exceeding 175,000 personnel. It has no records of ADF units having undertaken mentoring roles involving female ANA personnel.³²

Committee view

16.22 The committee believes that, through their training, mentoring and advisory capacity with the ANP and ANA, there is significant opportunity for the ADF and the AFP to generate a greater awareness of the importance of gender equality and to encourage the recruitment to, and promotion of women in, the Afghan military and police forces.

Recommendation 26

16.23 The committee recommends that the ADF and AFP take the opportunity in their training, mentoring and advisory role with their Afghan counterparts to help create an awareness of the importance of gender equality and human rights and to encourage greater participation of Afghan women in Afghanistan's military and police forces.

31 Answer to written question on notice no. 1 following 22 March 2013 hearing.

32 Answer to written question on notice no. 6 following 22 March 2013 hearing.

Summary

16.24 To lift its people out of poverty, Afghanistan must include women as part of its development process, including in policy formulation and decision making and implementation. The committee notes that Afghanistan has identified gender equality as an important cross-cutting issue central to the success of its overall development strategy. Evidence suggests, however, that as Afghanistan draws closer to taking charge of its own affairs, much more needs to be done to improve the status of women and to then safeguard that position.

16.25 The committee also notes Oxfam's and Mr Krishnan's acknowledgement of Australia's contribution to helping combat violence against women in Afghanistan and CARE's praise of the DIAC-funded programs for livelihood. Clearly, however, much more needs to be done in this area. The committee commends the Australian Government for its strong recognition of the rights of women in its aid programs. It heeds the cautionary words from a number of witnesses, however, on the importance of achieving qualitative change in women's representation. The committee also notes the opportunities to encourage gender equality through Australia's contribution to training, mentoring and advising the Afghan National Army and Afghan National Police.

Committee view

16.26 The committee takes the opportunity to acknowledge the work that Australian funds have done in promoting gender equality in Afghanistan. As suggested by NGOs, however, there is a pressing need for more to be done especially to eliminate violence against women and girls. Clearly, removing all forms of discrimination against women is a key cross cutting-issues that should have a central place in all Australian aid programs in Afghanistan across all sectors.

Recommendation 27

16.27 The committee recommends that the Australian Government continue to provide funding for the Afghanistan Independent Human Rights Commission.

Recommendation 28

16.28 Considering that gender equality is an objective that cuts across all sectors covered by development assistance, the committee recommends that all relevant recommendations in this report give special attention to promoting gender equality and protecting the rights of women.

Recommendation 29

16.29 The committee recommends that AusAID prioritise long-term support for the delivery of services for women and girls, and for programs that advocate for women's rights. It recommends further that the Australian Government include Afghanistan as a key country focus for implementing Australia's National Action Plan on Women Peace and Security in order to address the related issues of violence against women and women's political participation.

Recommendation 30

16.30 The committee recommends that the Australian Government directly fund Afghan women's organisations with both core and project funding, to enable these organisations to develop their capacity to hold their government to account and realise their leadership potential.

Recommendation 31

16.31 The committee recommends that AusAID works closely with the Afghan Education Ministry and relevant NGOs to encourage the implementation of community-based education schemes with the objective of increasing the accessibility of schooling and bridging the gender gap with respect to illiteracy.

Recommendation 32

16.32 The committee recommends that the Australian Government commit adequate funds over three years towards the National Priority Program: 'Capacity development to implement the National Action Plan for the Women of Afghanistan'.

Part IV

Transparency and accountability

This final part of the report is concerned with the way in which Australia assesses and reports on the effectiveness of its aid to Afghanistan. To this stage of the report, the committee has identified a number of Australian-funded programs, their achievements and in some cases their shortcomings. The committee has also considered the mechanisms through which Australia channels its funds—ARTF, multilaterals, NGOs and the PRT in Uruzgan. While acknowledging the impressive gains that have been made in Afghanistan with Australian support, the committee has not yet determined whether Australian funds are being used to best effect—whether they provide value for money.

In this part of the report the committee looks at the ways in which Australia holds those delivering aid to account for their performance and how Australia evaluates its own performance and importantly reports its findings.

Chapter 17

Evaluating the effectiveness of Australian aid

17.1 Australia has provided over \$700 million in aid to Afghanistan since 2001 with tangible results.¹ The question before the committee is whether this aid was used most effectively. There are suggestions that some projects have not measured up to expectations—AliceGhan and the Australian Leadership Awards Scholarships for Afghanistan students. There are other projects where the indications are that, while impressive on paper, the achievements on the ground may not be as substantial as initial indicators suggested. In this regard, some witnesses referred to schools being built but without substantial evidence to show increased school attendance. In this chapter, the committee looks at the transparency of Australia's aid funding to Afghanistan: at how Australia monitors, analyses and evaluates the effectiveness of its own performance.

17.2 The committee looks first at the monitoring and assessment of programs delivered through Afghanistan's national budget via the ARTF, multilateral organisations and NGOs.

ARTF

17.3 The committee has looked in detail at the transparency and accountability mechanisms employed to ensure that the ARTF uses its funds effectively and efficiently. Based on solid evidence, it found that the fund is open and transparent and subject to a high level of scrutiny. Even so, there were aspects of its accountability that could be strengthened. Importantly, the recent independent review of the ARTF, part-funded by Australia, highlighted the importance of 'intensive and detailed reporting'. It found that there is a need to achieve a 'consistent, comprehensive and critical tracking and reporting system'.² With regard to the fund's National Solidarity Program and the Community Development Committee model, it was also looking for a critical assessment of achievements against political-social, mobilisation and livelihood objectives.³

17.4 The committee believes that the findings of this independent review in relation to robust tracking and reporting systems and undertaking critical evaluations of achievements as they affect, for example, livelihoods, should hold true for Australian aid programs in Afghanistan.

1 Based on revised ODA figures—AusAID, answer to written question on notice no. 33.

2 Scanteam, Analysts and Advisers, *ARTF at a Cross-Roads: History and the Future*, Oslo, September 2012, p. 2.

3 Scanteam, Analysts and Advisers, *ARTF at a Cross-Roads: History and the Future*, Oslo, September 2012, p. 4. The report also noted that the fund should rely more on 'ex poste verification rather than ex ante permissions'.

Mutual accountability

17.5 A number of witnesses also recognised the importance of the Afghan Government improving its performance as part of a mutual accountability framework. They underlined the importance of attaching measurable conditions to assistance in order to engender positive incentives for the transition decade and to foster accountability. In managing the transition process, CARE was of the view that shifts towards on-budget aid through the government should be sequenced on the basis of demonstrated progress against sector-specific benchmarks in state capacity and accountability at central and sub-national levels.⁴ Professor Maley noted that, if one is working at the central level, one needs some pretty tough conditions attached to funding.⁵

Budget transparency

17.6 Budget accountability is one area where Afghanistan has made some headway. Since 2008, the country has made 'steady and impressive progress' toward greater budget transparency, particularly in the last two years. On the Open Budget Index in 2010, Afghanistan scored 21 out of 100 and subsequently jumped 38 points to register 59 in the 2012 survey. Although with considerable room to improve on budget transparency, Afghanistan has demonstrated a willingness to provide greater information. For the first time, it now publishes a Pre-budget Statement, the Executive's Budget Proposal and a Citizens Budget.⁶ The 2012 open budget survey attributed Afghanistan's improved transparency to:

...the political will of the leadership of the Ministry of Finance, as well as the government's desire to improve its international image...Donor organisations and international financial institutions also increasingly focused their attention on fiscal transparency as a means to reduce corruption in the country. Their pressure, coupled with technical assistance provided to the Ministry of Finance, facilitated quick improvements. As part and parcel of these developments, civil society organizations and researchers have started engaging with the government, primarily through the Ministry of Finance, on budget-related issues, publishing budget analyses and organizing public awareness campaigns through the media, and conducting meetings and workshops to highlight the importance of budget transparency for citizen monitoring and government accountability.⁷

17.7 The Survey noted that in 2010 donors committed to channelling up to 50 per cent of their aid through the budget 'on the condition that the government make its

4 *Submission 15*, p. 12. Mr Leahy stated that a set of benchmarks and targets should be established for a phased approach to managing the transition process and that the Australian Government should be strongly supportive of the international community adopting a set of benchmarks for the transition to budget support. *Committee Hansard*, 4 December 2012, p. 36.

5 *Committee Hansard*, 4 December 2012, p. 11.

6 International Budget Partnership, *Open Budget Survey 2012*, p. 25, <http://internationalbudget.org/wp-content/uploads/OBI2012-Report-English.pdf>.

7 International Budget Partnership, *Open Budget Survey 2012*, p. 28.

budget more transparent and increase its spending capacity'.⁸ Clearly, with encouragement and technical support from the international donor community, the Afghan Government can undertake reforms necessary to improve transparency and accountability. Having conditions that are tangible, specific and measurable are important, as is the concerted effort and good will of the Afghan Government, the international community and civil society to help the government meet those conditions.

17.8 This one example of improved governance is, however, not matched in other areas. The committee has noted that the perception of corruption in Afghanistan has changed little since 2001. Indeed, Afghanistan still has a long way to go to improve governance across a number of facets. The worldwide governance indicators shows that Afghanistan remains in the bottom 0–10th percentile on voice and accountability; political stability and absence of violence; government effectiveness; regulatory quality; rule of law and control of corruption.⁹ Moreover, in some cases, Afghanistan has reversed its performance—a few years ago, in voice and accountability and government effectiveness Afghanistan managed to score in the 10–25th percentile but has since fallen back.

Importance of monitoring and evaluation

17.9 Although multilateral organisations (including the World Bank through its ARTF) and international NGOs deliver the bulk of Australia's ODA to Afghanistan, the Australian Government is ultimately accountable for how its money is spent and its effectiveness. AusAID provided the committee with a detailed account of the measures it takes to ensure that its partners in delivering development assistance do so efficiently and effectively.

17.10 Australia has signed a memorandum of understanding with the Government of Afghanistan on development cooperation, which includes some conditions. According to AusAID, the agreement contains 'a number of quite robust commitments including fiduciary and administrative capacity within the country's institutions in Afghanistan at national and local levels.' It also includes 'a number of commitments on tackling corruption and improving public expenditure systems'. She explained that it is through this framework that Australia's increased aid to Afghanistan over the next few years would take place.¹⁰

17.11 Dr Bizhan noted, however, that some of these measures in the memorandum of understanding were broad and could be interpreted differently by various stakeholders in Australian and Afghan. He referred to commitments by the Afghan Government to fight corruption and build effective administration. For example, the Afghan Government has undertaken to 'make tangible progress toward a democratic

8 International Budget Partnership, *Open Budget Survey 2012*, p. 28.

9 The World Bank Group, 'Worldwide Governance Indicators', http://info.worldbank.org/governance/wgi/sc_chart.asp (accessed 21 March 2013).

10 Ms Michaela Browning, *Committee Hansard*, 3 December 2012, p. 8 (also see *Submission 16*, pp. 51–54).

society, where the equality of men and women, and the active participation of both in Afghan society are respected'. Other equally broad commitments include reducing corruption; addressing injustices and increasing people's access to justice; managing revenue; and building capacity for accountable and fair service delivery.¹¹

17.12 Clearly, it would be helpful if the benchmarks against which improvements could be gauged were concrete, practical and, indeed, measurable such as the extent to which Afghanistan had developed its own institutions, their strength and resilience and capacity to deliver services.

Multilaterals and NGOs own systems

17.13 AusAID stated that it promotes effectiveness and accountability for Australian aid to Afghanistan in a number of ways. It works through credible development partners, such as the World Bank, that have demonstrated in-country experience and effectiveness and have robust monitoring of fiduciary risk management systems in place.¹² AusAID informed the committee that it employs a range of other management and evaluation approaches, including direct monitoring, monitoring through trusted partners, communities and third parties.¹³

Monitoring

17.14 According to AusAID, it ensures that all its contractual agreements with implementing partners contain explicit provisions against fraud and corruption and it engages closely with implementing partners to ensure that they have robust scrutiny systems in place. It holds its partners to account through strict reporting requirements against their agreed deliverables and monitors and reviews programs directly wherever it is safe to do so.¹⁴ According to AusAID, it responds quickly if it detects any financial irregularities and encourages its partners to do the same in those circumstances.¹⁵

17.15 Looking more specifically at Uruzgan, Mr Dawson indicated that since AusAID's early engagement in the province, it has been looking to build its capacity for assessment. He explained:

Initially the work with the liaison office was one way of providing access to information about circumstances in the province; but over a period of time

11 Memorandum of Understanding, 'Development Framework Agreement', between the Government of the Islamic Republic of Afghanistan and the Government of Australia, 2012–2017, p. 5, <http://www.ausaid.gov.au/countries/southasia/afghanistan/Documents/aus-afghanistan-development-framework-agreement-2012-17.pdf> (accessed 18 January 2013).

12 AusAID, *Australian Multilateral Assessment*, March 2012, p. xii. The World Bank ranked highly in the Australian Multilateral Assessment.

13 *Committee Hansard*, 3 December 2012, p. 16.

14 *Committee Hansard*, 3 December 2012, p. 20.

15 *Committee Hansard*, 3 December 2012, p. 20.

our own capacity to provide that same information and level of analysis of developments in the province has increased.¹⁶

17.16 Mr Dawson mentioned the PRT and the embassy and DFAT people on the ground who talk to the Afghan Government and other stakeholders—including community groups—to provide direct contact with Australian agencies operating in Afghanistan.¹⁷ According to Mr Dawson, AusAID's capacity for monitoring and evaluation had increased 'very substantially' since the agency engaged a liaison office in November 2010. These include support over three years for the annual Afghan people's survey. The survey canvasses the views of Afghan citizens from all provinces on a wide variety of issues, including economic development, political participation, corruption and the status of women.¹⁸ It does not, however, specifically canvass views on Australian-funded projects.

17.17 In partnership with another service provider, AusAID is also to deliver a specific Uruzgan monitoring and evaluation program—a data collection system, which will monitor and analyse AusAID's programs in Uruzgan. The program commenced in October 2012 and will run for one year, initially. It will include an online database to house collated information on baselines and the results of Australia's activities. According to Mr Dawson, it will go a substantial way to addressing information gaps and limitations that AusAID and other development partners face in Uruzgan. Significant access to information that AusAID obtains through its own sources and direct contacts in Uruzgan will supplement the program.¹⁹

17.18 Mr Dawson also referred to AusAID forming relationships with other organisations operating in Afghanistan that can provide information 'on the development circumstances and the progress of transition in different parts of the country'.²⁰ He explained that given this combination of other organisations and AusAID's own increased resources, the agency was confident of its capacity to understand and assess the situation in the province.²¹

17.19 The committee has considered AusAID's detailed description of the measures it takes to ensure the effective delivery of aid in Afghanistan. In this context, the committee notes that attention is heavily focused on intentions and process—steps taken to improve and strengthen administrative procedures—but not on the actual outcomes, particularly what reaches intended beneficiaries and what it means for them. As Dr Bizhan pointed out:

16 *Committee Hansard*, 3 December 2012, p. 16.

17 *Committee Hansard*, 3 December 2012, p. 16.

18 *Committee Hansard*, 3 December 2012, p. 16. The U.S. Agency for International Development, the Foreign and Commonwealth Office/Department for International Development and the German Foreign Affairs Ministry also support the production of this survey.

19 *Committee Hansard*, 3 December 2012, p. 16. See also Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 14 February 2013, p. 96.

20 *Committee Hansard*, 3 December 2012, p. 16.

21 *Committee Hansard*, 3 December 2012, p. 16.

The basic issue should be to measure the effectiveness of aid as it influences targeted recipients or objectives rather than 'so called efficiency in aid administration'.

17.20 Dr Bizhan observed that sometimes 'an efficiently administered project could have a negative impact'.²² Professor Maley also noted that compliance with process was relatively easy to assess. He noted, however, that the exact outcomes of policy initiatives may be 'far from obvious', which may be 'tempting to replace appraisal based outcomes with appraisal based on process'. He concluded that ultimately, development policies need to be judged by outcomes, not by processes.²³ For example, Professor Maley noted that:

With trained teachers and basic teaching materials one can run a basic school without a dedicated building, but a school building without teachers is simply an aggregation of bricks, mortar and concrete.²⁴

17.21 The committee appreciates that having correct processes and procedures in place is important, but that is only part of the picture. The committee now turns to consider the effectiveness of Australia's aid program: not on process and inputs but on what has been delivered on the ground.

Effectiveness of aid as delivered and used

17.22 For many years, the committee has commented on Australian-funded aid projects that have failed in a number of aspects but importantly in their sustainability. The committee is referring to projects completed successfully but then underutilised, neglected, or abandoned completely because of shortfalls in resources to cover operational and maintenance costs or the community's reluctance to use them.

17.23 The problem for the committee is that such deficiencies tend to surface after the completion of a project—when there are insufficient means to operate and maintain a facility or it is not suitable for the environment or intended community. For example, when children are not attending a new school or patients not using a health clinic; when farmers do not have access to, or are unable to take advantage of, improvements in crop production or animal husbandry. There is also the risk of aid having unintended consequences such as laying the foundations for future conflict by favouring particular individuals. As mentioned already, there is the possibility that Australian funds in Uruzgan may have helped to empower individuals looking to promote their own interests rather than those of the local communities. In particular, the committee mentioned Matilluah Khan. There appears, however, to have been no real analysis or serious consideration given to understanding or appreciating the longer term consequences of such funding.

22 Answer to written question on notice no. 1.

23 *Submission 4*, p. [3].

24 Attachment to *Submission 4*, William Maley, 'Reconstruction: A Critical Assessment' in Amin Saikal (ed.), *The Afghanistan Conflict and Australia's Role*, Melbourne University Press, 2011, p. 87.

17.24 The committee has only a few specific examples of Australian-funded projects in Afghanistan that had fallen short or not delivered to their potential. Some of the evidence before the committee, however, hints at other instances of the ineffective use of aid funds. For example, Professor Maley argued that the record for achieving local capacity building in Afghanistan was 'notably patchy'. He cited the successful work that went into preparation for the 2004 election. At that time, the Joint Electoral Management Body, in which Australian experts were actively involved, adopted a very positive approach to local capacity building. The intention was to have a strong cohort of trained Afghan staff able to do the bulk of the technical work required for a proper process. According to Professor Maley, the United Nations failed to make effective use of these skilled personnel with little effort made to retain their services for the 2005 parliamentary elections. In his assessment:

The net result was that the 2005 election went over budget, and the 2009 presidential election was marred by very serious fraud. The lesson here is that the failure to engage in effective local capacity building can have potentially grave long-term consequences.²⁵

17.25 The current concern is that, with the anticipated decline in government revenue and the closure of the PRTs, some projects in Afghanistan will be unsustainable. The committee has highlighted the importance of Australian aid focusing on sectors with a proven track record. To do so, decision makers must rely on a sound understanding of what is working in Afghanistan and, importantly, likely to prove durable in a vulnerable economic and security environment. Thus, evaluation of projects, with their accompanying lessons to be learnt, is central to this process.

17.26 From the committee's perspective, however, there is a dearth of hard-nosed and searching examination of projects funded by Australia, even for those that have drawn criticism. There is no publicly available assessment of the AliceGhan project or of the circumstances that led to the delayed visas for Afghans invited to a workshop at the ANU. It would appear that an independent review of the Australian Leadership Awards Scholarships for Afghanistan was precipitated by allegations of fraud.

Difficulty evaluating projects in Afghanistan

17.27 The committee accepts that there are major obstacles to evaluating the effectiveness of development assistance to Afghanistan. In particular, the inability to move about the country means that aid officials do not have the opportunities to talk to local people in order to receive feedback, to gather data, inspect, monitor and evaluate a project on the ground. Professor Maley referred to the limitations personnel in Afghanistan encounter in monitoring and evaluating aid projects:

Most foreign embassies are swathed in security constraints which make it exceedingly difficult for them to perform...some of the basic tasks of diplomatic reporting.²⁶

25 *Submission 4*, p. [2].

26 *Committee Hansard*, 4 December 2012, p. 8.

17.28 He made clear that this statement was not a reflection on Australian staff deployed to Afghanistan, some of whom, in his opinion; were outstandingly competent people.²⁷ Professor Stephen Howes and Mr Jonathan Pryke also accepted the view that evaluating aid effectiveness in Afghanistan was 'not an easy exercise':

Information is scarce, and feedback difficult to obtain. While measures can be taken to mitigate them, these problems are very much in the nature of aid given the fundamental geographical disconnect which underlies all aid: the fact that aid funds are raised in one country and disbursed in another.

Evaluating aid to Afghanistan raises special challenges. It is very difficult to visit Afghanistan. There is a huge shortage of impartial information.²⁸

17.29 While they acknowledged that monitoring and evaluation was 'harder in Afghanistan than just about anywhere else in receipt of Australian aid', they argued that this situation was all the more reason for the Australian Government itself to monitor and evaluate its aid programs.²⁹

17.30 As noted earlier, Australian civilians in Uruzgan are likely to pull back to Kabul. In this regard, Professor Howes argued that Australian personnel would not be able to do as much fieldwork because of the security situation, but again that drawback was no reason for failing to produce annual performance reports or for Afghanistan not being part of the transparency reform underway in the aid program.³⁰

Independent evaluation

17.31 The high level of corruption in Afghanistan underscores the importance of transparency in Australia's aid program and robust evaluation and reporting. Professor Maley emphasised that Australia has a strong legislative framework to address the problem of bribery of foreign officials, but it was difficult to put into effect when dealing with the Afghan environment. In his view, careful monitoring of on-the-ground activity was one way to begin to deal with this problem. He then stated, however, that it was 'precisely this kind of monitoring which seems unlikely to be sustainable in the long run with the mooted withdrawal of Australian personnel from Uruzgan to Kabul'.³¹

17.32 Professor Maley noted the importance of putting in place mechanisms that would ensure the effective, independent appraisal of how Australia's policy initiatives have affected the situation on the ground in Afghanistan. He underlined the

27 *Committee Hansard*, 4 December 2012, p. 8.

28 *Submission 14*, p. 2.

29 *Submission 14*, pp. 18–19 and John Evers, *Aid to fragile and conflicted-affected countries: a review of the literature and Australia's approach*, ANU, Development Policy Centre, Discussion Paper 21, July 2012, pp. 25–26.

30 *Committee Hansard*, 4 December 2012, p. 20.

31 *Submission 4*, p. [4].

importance of independence in the appraisal process—that this aspect matters most.³² According to Professor Maley:

...understandably, aid agencies may have a subliminal tendency to value what they have done, just as parents can often see in their children a beauty which is invisible to all other observers.³³

17.33 In his view, for this reason the widely-reported termination of the relationship between AusAID and the Liaison Office (TLO) was unfortunate.³⁴

17.34 CARE Australia also highlighted the need to establish a set of benchmarks and targets for the phased transition.³⁵ For example, Mr Poulter underlined the critical importance of 'monitoring, against benchmarks—what actually gets down to the most affected in society and gets out of Kabul'.³⁶

Committee view

17.35 While restrictions hamper evaluation, they are not an excuse for failing to do so. Indeed, they underscore the need for sound and thorough analysis and assessment of projects so that Australia can improve on its delivery of aid. If a donor country, such as Australia, is committed to the effective delivery of aid then it would also welcome open and independent scrutiny of the projects it funds.

17.36 Mr John Eyers, however, conducted a survey of published evaluation and reviews of Australian aid to fragile and conflict-affected states (FCA) and found:

...readers must gather together for themselves the observations they contain about where the performance of aid programs has been impaired by countries' fragile situations; and while there are references to innovations intended to address difficulties particular to FCA countries, most of these are not followed by reporting in later years on how successful or otherwise they had proved to be.

Similarly, readers must make their own inferences about how the effectiveness of Australia's aid in FCA countries compares with that of programs in other countries.

As far as he could discern, none of the published evaluations or reviews had addressed this question directly.³⁷

17.37 Professor Howes and Mr Pryke argued that Australian aid to Afghanistan had hardly been evaluated at all. In particular, they noted that it was remarkable that

32 Answer to written question on notice, no. 1 and *Submission 4*, p. [3].

33 Answer to written question on notice, no. 1.

34 *Submission 4*, p. [3].

35 *Committee Hansard*, 4 December 2012, p. 36.

36 *Committee Hansard*, 4 December 2012, p. 37.

37 John Eyers, *Aid to fragile and conflicted-affected countries: a review of the literature and Australia's approach*, ANU, Development Policy Centre, Discussion Paper 21, July 2012, p. 25.

AusAID had 'not thought it necessary to provide a report by management on its aid to Afghanistan even though there are so many questions around whether it represents value-for-money'.³⁸ According to Professor Howes and Mr Pryke, the Australian aid program in general has become more transparent and monitoring and evaluation had improved over time. With regard to Afghanistan, however, they argued that practice had lagged even when it came to the internal management reports.³⁹ They cited a number of indicators that applied as at mid-September 2012 in support of this finding:

- AusAID had released a number of evaluations from recent years—not one related to Afghanistan;
- most countries that receive significant volumes of Australian aid now had 'transparency pages' on AusAID's website where key strategies and documents were provided—but not for Afghanistan;⁴⁰
- since 2006 AusAID had released an Annual Performance Report, in that year and/or one more recently for nearly every bilateral aid recipient—Afghanistan is one of the few exceptions, and the only one for a major aid program (certainly the only one in the top ten);⁴¹ and
- the Office of Development Effectiveness was established in 2006 and has conducted several country and sectoral evaluations—but never a country evaluation of Afghanistan or a sectoral evaluation which draws on Afghan experience.⁴²

17.38 With regard to annual performance reports, Professor Howes noted that one annual performance report, for 2010, had been published for Afghanistan. He argued, however, that given Afghanistan:

...is the fourth largest program, you would expect a report every year, and that is something that the country program is responsible for. So, even if they are sitting in the embassy, they can still write it.⁴³

17.39 Professor Howes acknowledged that to its credit, AusAID had made some effort to evaluate projects in Afghanistan—it financed a Feinstein study and, until recently, the Liaison Office.⁴⁴ He understood that because of the security situation, AusAID officers would not be able to do as much fieldwork but, as noted earlier, that was not a reason for failing to produce annual performance reports or for Afghanistan not being part of the transparency reform underway in the aid program. Overall, he

38 *Submission 14*, pp. 18–19.

39 *Committee Hansard*, 4 December 2012, p. 19.

40 *Submission 14*, p. 18.

41 *Submission 14*, p. 18. The other exceptions (and their 2012-13 allocated budgets) are Iraq (\$36.6m), Palestinian Territories & Other Middle East (\$56m) and Latin America (\$27.2m).

42 *Submission 14*, p. 18.

43 *Committee Hansard*, 4 December 2012, p. 19.

44 *Committee Hansard*, 4 December 2012, p. 19.

concluded that the same arrangements that apply to other aid programs should apply to Afghanistan: that Afghanistan should be quickly pulled into line with the rest of the aid program with respect to transparency, program monitoring and evaluation.⁴⁵

17.40 It should be noted that since Professor Howes and Mr Pryke lodged their submission, AusAid has produced a 2011 Annual Program Performance Report for Afghanistan and, on 21 December 2012, launched the Afghanistan Transparency Page.⁴⁶ The question then arises whether these measures, together with other reporting mechanisms, provide the level and quality of information indicative of robust analysis and assessment of Australia's aid programs in Afghanistan.

17.41 The Director General, AusAID, Mr Baxter, informed the committee that one can get a sense of the effectiveness of Australia's bilateral aid in a country context in the agency's annual report to Parliament. He explained that AusAID reports extensively on the progress of each of its country programs against individual MDGs. He argued that the agency provides a higher level of detail in its annual report to parliament than ever before and further that it is the only organisation in the Commonwealth required to report to Cabinet on the totality of its program on an annual basis. In his view, AusAID receives a level of scrutiny that does not apply to any other agency in the Commonwealth.⁴⁷

17.42 While AusAID's Annual Report provides information on the amount spent in Afghanistan, and describes some of the programs funded by Australia, it does not give any indication of the effectiveness of programs. Some of the achievements listed cannot be attributed directly to Australian funds but more generally to the international donor community, for example achieving a longer life expectancy for Afghan women. The committee agrees that although the report may give a sense of the effectiveness of Australia's bilateral aid to Afghanistan, it in no way provides analysis or evaluation.

17.43 Similarly, the committee argues that while the Afghanistan Annual Program Performance Report provides a wealth of information on AusAID's development assistance to Afghanistan, it is mainly descriptive, provides little hard data and makes it difficult to determine how Australian aid to Afghanistan is performing. The document is strong on describing programs and activities; on detailing inputs such as the amount of money disbursed to various organisations and on intentions but extremely weak on analysis and evaluation. Often the report lists a range of achievements without any direct connection to a specific Australian program. There are numerous examples of broad statements bordering on meaningless. For example AusAID's staff in Kabul will work closely with the Afghan Government and continue to play an active and influential role in donor coordination (pp. 21–22). Such statements simply invite more questions—what is meant by influential, how has it

45 *Committee Hansard*, 4 December 2012, p. 20.

46 AusAID, answers to written questions on notice nos 22–23.

47 Senate Foreign Affairs, Defence and Trade Legislation Committee, *Committee Hansard*, Estimates, 14 February 2013, p. 97.

changed behaviour? Moreover, the statement appears to be one of intention, which is worrying since one would assume that such activity is the very bread and butter of Australian diplomacy.

17.44 The Annual Program Performance does contain a table meant to show progress against objectives. Firstly, the four stated objectives are broad:

- enhancing basic service delivery in health and education;
- supporting rural development and livelihoods;
- improving governance and the effectiveness of the Afghan Government; and
- supporting vulnerable populations.

17.45 Secondly, the ratings are crude indicators of performance with all four above objectives obtaining the rating of 'will be partly achieved within the timeframe of the strategy'.⁴⁸ The committee has no idea what to make of the ratings.

17.46 Where the performance program does give an indication of results on the ground such as 1,578 farmers trained in improved cropping techniques and 5,016 in improved livestock management, there is no indication whether Australian funds contributed fully or only partially through the Aga Khan Foundation to this result. More importantly, there is no assessment as to the extent that the projects have in fact changed practices for the better and whether Australia's contribution was a cost effective way to help the farmers.⁴⁹

17.47 Throughout this report, the committee has referred to observations about the construction of schools but with attendance not matching enrolments or without reference to retention rates. Local residents have referred to 'white elephants'. Such observations may be unfair, but the committee believes that they should be tested, otherwise the achievements trumpeted may well mask little or no real gains for the Afghan people.⁵⁰

17.48 There can be no denying that improvements due to Australian aid have been made. But considering the hundreds of millions of dollars spent in Afghanistan to help the people rebuild their country and their lives, it would be unusual not to have some obvious improvement. The committee does not want to appear to be too critical, but without a robust evaluation of Australia's aid projects in Afghanistan, there can be no genuine understanding of whether the various programs represent value for money and are likely to make a lasting difference for the better for the Afghan people.

ADF projects

17.49 The reconstruction work undertaken by the ADF in Uruzgan came under harsh criticism for its failure to evaluate the effectiveness of its development assistance.

48 AusAID, *Afghanistan Annual Program Performance Report 2011*, July 2012, p. 6.

49 AusAID, *Afghanistan Annual Program Performance Report 2011*, July 2012, p. 10.

50 See paragraphs 4.47–4.48, 4.54, 7.27–7.30 and 9.13.

17.50 Save the Children, Oxfam and World Vision noted the importance of evaluating projects. It noted:

Development and reconstruction projects implemented by the ADF in Afghanistan have not been independently evaluated for cost-effectiveness, impact or sustainability. Nor has the ADF, in its financial reporting, disaggregated its aid operations in Afghanistan from its military operations.⁵¹

17.51 An Australian Council for International Development publication also found that the ADF does not appear to disaggregate its aid operations from military operations in Afghanistan and further that ADF-supported development projects have not been evaluated for cost-effectiveness, impact or outcome'.⁵² AID/WATCH argued that the extent to which problems (cost-effectiveness, focus on strategic goals, quick fix projects and poor accountability structures) apply to Australian assistance was unclear due to 'a lack of transparency in aid delivered by the military'.⁵³

17.52 Defence in its submission informed the committee that circumstances in Afghanistan militated against the conduct of formal cost/benefit evaluations. These included: the overall security situation; the relatively small scale of the individual projects undertaken by the military Reconstruction and Task Force and ADF Managed Works Team; and the time imperatives to consistently deliver immediate and visible benefits to local communities.⁵⁴ Defence made clear that the extent of its monitoring and evaluation finished when the construction was complete, the defect liability period had expired and the project handed over to the relevant government authority. Defence does not go back to completed projects to do an evaluation as to effectiveness.⁵⁵

17.53 The committee understands the ADF's position that it is not an aid agency. Nonetheless, millions of dollars have been expended on substantial reconstruction work in Uruzgan as part of a whole-of-government effort. The committee cannot accept the lack of any subsequent assessments of the effectiveness of this type of development assistance. The committee has evidence that the quality of work produced under ADF supervision is high but understands that while a project can be 'beautifully constructed' it may not be operational.⁵⁶

17.54 Throughout this report, the committee has quoted from departmental officials or official documents referring to Australia's 'integrated whole-of-government effort involving interlinked, diplomatic and development and military objectives' in

51 *Submission 6*, p. 12.

52 Phil Sparrow, *In it for the long haul? Delivering Australian aid to Afghanistan*, ACFID Research in Development Series Report no. 1, March 2011, p. 2.

53 *Submission 23*, p. [2].

54 *Submission 17*, p. [3].

55 *Committee Hansard*, 22 March 2013, p. 17.

56 The TLO made this observation in *Uruzgan: 18 months after the Dutch/Australian Leadership Handover*, A TLO Provincial Profile, April 2012, p. 42.

Afghanistan.⁵⁷ It would seem that AusAID, in the absence of any Defence evaluation, could have been involved in monitoring and reporting on these facilities. AusAID made clear that it does not 'assess, evaluate or monitor ADF projects for effectiveness or how they fit with the MDGs'.⁵⁸ This lack of coordination, of long term vision calls into question the working of this so-called integrated whole-of-government effort.

17.55 There does not appear to have been any serious analysis of Australia's whole-of-government approach in Afghanistan. DFAT made clear that it 'does not generate separate reports/recommendations on the whole-of-government performance in Afghanistan'.⁵⁹

Whole-of-government

17.56 John Eyers, who undertook a survey of evaluations of Australian aid to fragile and conflict-afflicted states, noted that the effectiveness of Australia's whole-of-government overseas aid was a surprising gap in recent such evaluations.⁶⁰ He suggested that the independent reviews of Australia's aid to fragile and conflict-affected countries, including Afghanistan, would provide more evaluation of the parts played by agencies other than AusAID and with more prompt publication.⁶¹ The committee agrees with this observation.

Committee view

17.57 Based mainly on Annual Reports, the committee has provided a detailed description of the development activities undertaken by the various agencies in Afghanistan. Generally, the accounts are simply descriptions providing no indication about the extent to which they reflect the effectiveness of the aid. Where this activity has been part of a multilateral contribution it is difficult to discern the effect of Australia's contribution. The committee has seen no evidence suggesting that Australian government agencies delivering aid to Afghanistan have attempted any genuine critical evaluation of the effectiveness of Australian aid, including an assessment of the cost-effectiveness of aid programs. Information is available on the inputs and when recording outcomes the information is often restricted to quantitative

57 See paragraph 3.20 noting a statement from Mr Dawson, *Committee Hansard*, 3 December 2012, p. 1; Defence answer to written question on notice no 5(2); AusAID, *Australia's strategic approach to aid in Afghanistan 2010–2012*, December 2010, p. 3 and The Hon Stephen Smith MP, Minister for Foreign Affairs and Trade, 'Statement to the International Conference on Afghanistan', The Hague, 31 March 2009, http://www.foreignminister.gov.au/speeches/2009/090331_ica.html;

58 Answer to written question on notice no. 17 submitted after 22 March 2013 public hearing.

59 Answer to written question on notice no. 3 submitted after 22 March 2013 public hearing.

60 John Eyers, *Aid to fragile and conflicted-affected countries: a review of the literature and Australia's approach*, ANU, Development Policy Centre, Discussion Paper 21, July 2012, p. 25.

61 John Eyers, *Aid to fragile and conflicted-affected countries: a review of the literature and Australia's approach*, ANU, Development Policy Centre, Discussion Paper 21, July 2012, p. 26.

information such as schools, clinics and roads built but with no indication about how these facilities are making a difference: that is the quality of the change that is being achieved. Such reporting presents an incomplete picture and may mask serious underachievement.

17.58 One of the main difficulties, however, is to comprehend the extent to which the projects have had a lasting positive effect, particularly in light of running costs—the need for trained people, to pay salaries, and to fund the operation and maintenance of the project. This consideration is particularly relevant in a fragile and conflict-affected country already dependant on aid to provide essential services and with an uncertain future. Clearly, there is a need for periodic systematic follow-up to determine whether the project was and remains viable after completion and when aid funding for it has ceased.

17.59 In this regard, a number of witnesses also looked at the stated objectives of Australia's aid program in Afghanistan. To make the reporting more robust, the committee notes that the development goals need to be clear and specific. Thus, while measuring development against the MDGs may provide a general sense of the effectiveness of aid, it is too broad to give any certain indication that particular Australian programs were value for money.

Reporting

17.60 The Australian Government agreed with the recommendation of the *Independent Review of Aid Effectiveness* that all Australian government departments and agencies adopt a three-tiered reporting system in relation to their use of ODA funds. The three tiers for reporting would be:

- progress against development goals;
- the contribution of Australian aid; and
- operational and organisational effectiveness.⁶²

17.61 The committee has drawn attention to the lack of rigour in AusAID's reporting on ODA to Afghanistan. In light of the committee's findings on the inadequacy of analysis and reporting on the effectiveness of Australian aid, the committee believes that the three tiers of reporting required from other government departments and agencies also needs to meet higher standards.

17.62 For a start, the committee believes that either operational effectiveness should be better defined or a fourth tier should be added. This fourth tier would require an assessment and evaluation of the effectiveness of ODA funds delivered. It would not be about process, about vague connections to improvements in development goals but about assessing the way in which the intended recipients of the aid have experienced direct real, sustainable and beneficial changes to the way they live. The reporting would focus on quality over quantity, it would go beyond recording the construction of facilities to providing an account of their use—attendance at school or health

62 AusAID, *An Effective Aid Program for Australia*, Commonwealth of Australia, updated June 2012, recommendation 34, p. 64.

clinics with measurable indicators to demonstrate improved education or health standards, farmers using roads to transport their goods to markets etc. Departments and agencies would be required to show how their projects have taken into account the maintenance and operational costs and the skilled people need to operate or manage facilities. It would also require the department or agency to explain how their projects form part of a whole-of-government coherent strategic development plan for the recipient country including projects it is intended to complement.

Recommendation 33

17.63 The committee recommends that AusAID review its Afghanistan Annual Program Performance Report in order to ensure that the document reflects its title—program performance report. This means that the report's main aim would be to convey information on:

- the performance of programs—value for money;
- the program's effect on the lives of its recipients;
- the benefits delivered to intended recipients and how they align with their needs;
- the sustainability of the benefits; and
- how programs relate to and complement other Australian-funded programs.

It should contain a section providing a comprehensive account of the effectiveness of Australia's whole-of-government effort in Afghanistan.

Recommendation 34

17.64 The committee recommends that the Australian Government implement new reporting and evaluation requirements for departments and agencies delivering Australian ODA that are timely, consistent, transparent and more stringent. They should also require information on:

- the aid program's objectives and how it contributes to a coherent, whole-of-government development plan;
- the medium and long-term prospects for the sustainability of each project within the program including allowances made for continuing operational costs—such as salaries, maintenance and repair; and
- the monitoring and evaluation mechanisms for tracking and assessing the effectiveness of projects after their completion.

Unless there is a compelling reason otherwise, reporting and evaluation reports should be publicly available from AusAID's website.

Recommendation 35

17.65 The committee recommends that the Office of Development Effectiveness conduct a critical analysis of the effectiveness of Australia's ODA to Afghanistan with a particular emphasis on the sustainability of projects and Australia's whole-of-government effort.

17.66 Although the committee believes that the best and strongest critics of the effectiveness of aid should be the agencies themselves, it recognises the critical role of independent scrutiny, especially of parliamentary oversight.

Parliamentary oversight

17.67 The committee does not share AusAID's confidence in the robustness of its evaluation and reporting on Australia's ODA to Afghanistan. Professor Howes suggested there should be more parliamentary reviews of aid.⁶³ The committee agrees. It believes that a dedicated parliamentary committee is needed to provide regular, systematic and rigorous scrutiny of Australia's ODA and stands ready to inquire into relevant matters as they may arise.

Recommendation 36

17.68 The committee recommends that the Parliament consider establishing a parliamentary standing committee or dedicated subcommittee of an existing standing committee charged with examining and reporting on Australia's ODA. Among other benefits, this committee could be the catalyst needed to improve the standard of reporting on Australia's ODA, especially Australia's whole-of-government effort in delivering overseas aid. It may also be a means of raising public awareness of the work being done with Australia's ODA.

Request to Auditor-General

17.69 In the introduction, the committee highlighted the miscalculation of Australian ODA since 2006.

17.70 With this in mind, the committee requests that the Auditor-General consider conducting an audit of Australia's ODA to Afghanistan with a view to determining whether the guidelines for classifying funding as ODA are appropriate, well understood and applied properly.

Conclusion

17.71 The committee understands the difficulties confronting donors in delivering aid to Afghanistan and accepts that some projects will inevitably suffer setbacks. It also acknowledges the work of Australian personnel in Afghanistan and commends their commitment. Even so, the committee believes that the contribution that Australia is making in Afghanistan should come under close and critical scrutiny.

Senator Alan Eggleston

Chair

Senate Foreign Affairs, Defence and Trade References Committee

63 *Committee Hansard*, 4 December 2012, p. 13.

Senate Inquiry: The administration, management and objective of Australia's overseas development programs in Afghanistan in the context of the 'Transition Decade'

Additional Comments

Senator Lee Rhiannon for the Australian Greens

Introduction

1.1 The Australian Greens initiated this Senate Inquiry in order to: evaluate Australia's experience of delivering aid in Afghanistan over the last decade; help ensure our overseas aid program makes a real difference to the lives of Afghan people in the 'transition decade' and; capture recommendations that can be applied to boost the effectiveness of aid in other militarised environments.

1.2 Australia has provided over \$700 million in ODA to Afghanistan since 2000 and this amount is expected to rise to \$250 million per annum as troops withdraw in the 'transition decade'.

1.3 The Australian Greens are grateful to the Committee Senators and to the Secretariat for their work and engagement with this Senate Inquiry and we appreciate that the Committee accepted many of the Australian Greens' recommendations in the Chair's report. The Australian Greens would also like to thank the many people and organisations that made submissions and shared their knowledge with the Committee.

Recommendations

1.4 Afghanistan remains one of the poorest and least developed countries in the world.

1.5 The Australian Greens welcome the Committee's recommendations to improve and boost aid going to programs focused on empowering women, improving education participation and outcomes, and safeguarding food security.

1.6 We also support the Committee's acknowledgement of the important role that NGOs have played, in the absence of strong governance structures in Afghanistan, in ensuring that aid reaches the people that need it and in particular, reaches beyond Kabul. The Australian Greens strongly support the Committee recommendations 22 and 23 that the Australian government should do more to foster the use of local NGOs and we hope that AusAID proactively takes up these recommendations.

1.7 The Australian Greens have reservations with recommendation 21 regarding funding channelled through Afghan's national budget and the Afghanistan Reconstruction Trust Fund. We would have preferred that the Committee's report picked up additional points from Inquiry submissions to refine this recommendation.

1.8 For example, the joint submission from Save the Children, Oxfam and World Vision recommended that, in guaranteeing aid flows to the Afghan national budget, that Australia should promote a process that includes adequate investment in capacity building for key government ministries and capacity assessments of key ministries prior to awarding funds.

1.9 Similarly this recommendation would have benefitted from specifying the importance of the Australian government supporting the Afghan government to ensure that its own development strategy includes a commitment to the provision of essential services, such as health and education, and that the Australian government continues to use and expand on models for service delivery that have had proven success, such as the Basic Package of Health Services.

1.10 With regard to setting a benchmark that 50 per cent of ODA is channelled through the Afghanistan Reconstruction Trust Fund (ARTF) in recommendation 21, the Australian Greens would like to add a requirement that AusAID monitor, measure and publicly report on the performance of multilateral organisations, such as the ARTF, against the AusAID's own objectives, including tracking which projects Australian ODA actually funds, the speed at which such funds are disbursed and the quality of aid ultimately provided.

1.11 A significant focus of the Senate Inquiry was the effectiveness or otherwise of Overseas Development Assistance (ODA) delivered by the Australian Defence Force (ADF), especially in Uruzgan Province.

1.12 Evidence to the Committee raised concerns that aid administered by the ADF was too focused on short-term and quick-fix objectives that were more directed to winning hearts and minds than delivering sustainable and effective development outcomes. Additionally, that militarised aid distorts the distribution of aid to regions experiencing conflict, that it places greater obstacles to community participation and that it increases risk for the safety of aid workers. Chapter 8 of the Committee Report details many of the concerns raised in the submissions.

1.13 During the course of the inquiry it was revealed that the ADF had wrongly categorised almost \$190 million in military spending as ODA. In addition, it was revealed that the ADF had little to no information on 31 (or 65 per cent) of its \$34.1 million of ODA eligible projects in the Uruzgan province conducted since 2006. The ADF could not track whether 32 (or 67 per cent) of its ODA eligible projects constructed using military aid had been attacked. The projects about which it has no information included: half of its education projects; half of its health projects; five out of six of its community projects; and ten out of eleven of its transport projects.

1.14 It was also revealed that neither the ADF, AusAID nor the Department of Foreign Affairs and Trade (DFAT) undertook any independent evaluation of the development impact of these projects, beyond the ADF assessing the projects for 'fitness for purpose and construction standards' after completion.

1.15 These admissions reflect poorly not only on the ADF but how the overseas aid budget has been managed by the Australian government in Afghanistan. This issue is particularly relevant as increasing amounts of Australia's ODA is administered through various government departments.

1.16 Proper monitoring and evaluation of projects is the bedrock of good government policy.

1.17 In this respect, the Australian Greens strongly support Committee recommendation 1 which seeks a comprehensive review of Australia's mission in

Uruzgan and the impact of the ADF-delivered ODA in Afghanistan. We do not have confidence however that the Australian Civil Military Centre is the most appropriate body to undertake this review.

1.18 Portfolio responsibility for the Australian Civil Military Centre resides with the Minister for Defence and its mandate is to 'improve Australia's effectiveness in civil-military collaboration for conflict and disaster management overseas'. The Australian Greens consider that this review would be more appropriately conducted by a body that is at arm's length from the military and has specific focus or expertise in the aid arena, such as the Office of Development Effectiveness.

1.19 It is with these issues in mind that the Greens make the following additional recommendations, focused on improving the management of ODA, the challenge of delivering ODA in a militarised environment and AusAID's increasing focus on promoting mining as a pathway to development.

Additional recommendations

Managing Australia's overseas aid

1.20 The Australian Greens strongly support recommendations 33 to 36 which address shortcomings in assessing, reporting and evaluating ODA spending across government departments. Evidence to the Senate Inquiry revealed that there is a need to refine the whole-of-government reporting and evaluating mechanisms for ODA to ensure Australia's aid is effective and targeted where possible to the UN's Millennium Development Goals. There is also a need to ensure proper transparency and scrutiny of Australia's overseas aid.

Recommendation 1

1.21 That the Australian government clarifies the government's accepted definition of ODA to make clear that spending by other government departments will only be considered ODA if the primary objective of that spending is poverty alleviation and community empowerment.

Recommendation 2

1.22 That AusAID be established as an independent department, separate from the Department of Foreign Affairs and Trade, with its own cabinet-level minister.

Militarised aid

Recommendation 3

1.23 Recognising the risk of social dislocation and mistrust in the period leading up to and immediately following troop withdrawal, that AusAID conduct an assessment of past ODA projects delivered by the ADF in Afghanistan and hold talks with community leaders to determine how this infrastructure can effectively meet the needs of the community.

Recommendation 4

1.24 That the Australian government ensure that attacks on ODA-funded projects are publicly reported on with full disclosure of damage to the project, the number of people killed and injured, and the impact the attack has had on the operations of the project.

Recommendation 5

1.25 That where possible in future militarised conflicts, the Australian government direct aid away from projects connected with the ADF in order to focus on the construction of civil and social infrastructure and projects directly targeted at poverty alleviation and community empowerment.

Mining for development

1.26 The Australian Greens have strong reservations about whether focusing aid on promoting mining projects is an effective, proven or sustainable use of Australia's aid budget to alleviate poverty in developing countries.

1.27 We welcome that the Committee has given some focus to refining the direction of Australia's mining-related aid in recommendations 17–20 but the Australian Greens maintain that the recommendations could have been stronger:

Recommendation 6

1.28 Considering the negative impact that mining has had on many communities in low income countries, that AusAID directs aid towards community and institutional development in preference to programs that promote mineral extraction.

Recommendation 7

1.29 That the Australian government introduce legislation to regulate Australian mining enterprises conducting business overseas, so they are bound by the same social and environmental conditions as they are in Australia.

Senator Lee Rhiannon
Australian Greens

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- Afghanistan Annual Report 2011*
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The committee also consulted:

- annual reports of relevant Australian government departments and agencies between 2001–02 and 2011–12;
- Secretary-General, United Nations, Reports on the Situation in Afghanistan; 2001–2012; and
- communiques, declarations or statements issued during or following the numerous international conferences on Afghanistan.

Appendix 1

Public submissions

- 1 Australian Centre for International Agricultural Research
- 2 Mr Denis Dragovic
- 3 Australian Council For International Development
- 3A Supplementary Submission
- 4 Professor William Maley
- 4A Supplementary Submission
- 5 Afghan Development Association (ADA)
- 6 Joint agency submission for Save The Children, Oxfam & World Vision Australia
- 7 The Liaison Office
- 8 Mr Antony Loewenstein
- 9 Department of Immigration and Citizenship
- 9A Supplementary Submission
- 10 Caritas Australia
- 11 ActionAid
- 12 Global Witness
- 13 Mr Nematullah Bizhan
- 14 Professor Stephen Howes and Jonathan Pryke
- 15 CARE Australia
- 16 AusAID
- 17 Department of Defence
- 17A Supplementary Submission
- 18 Mr James McMurchy
- 19 Australian Federal Police (AFP)
- 20 Australian Strategic Policy Institute
- 21 Australian Civil-Military Centre
- 22 Department of Foreign Affairs and Trade
- 23 AID/WATCH
- 24 Amnesty International

Appendix 2

Tabled documents, answers to questions on notice and additional information

Additional information and tabled documents

- 1 Professor Maley, Public hearing dated 4 December 2012—Preparing for Elections in Afghanistan: Prospects and Challenges
- 2 Professor Maley, Public hearing dated 4 December 2012—Email correspondence
- 3 Professor Maley, Public hearing dated 4 December 2012—References for Mr Niamatullah Ibrahim
- 4 Mr Nematullah-Bizhan, Public hearing dated 11 August 2012—Opening statement

Answers to questions on notice

Monday 3 and Tuesday 4 December 2012

- 1 Department of Foreign Affairs, Defence and Trade—Answers to Questions on notice (from public hearing, 3 December 2012, Canberra)
- 2 AusAID—Answers to Questions on notice (from public hearing, 3 December 2012, Canberra)
- 3 Department of Immigration and Citizenship—Answers to Questions on notice (from public hearing, 3 December 2012, Canberra)
- 4 Australian Federal Police - Answers to Questions on notice (from public hearing, 3 December 2012, Canberra)
- 5 Department of Defence—Answers to Questions on notice, Question 11 only (from public hearing, 3 December 2012, Canberra)
- 6 Professor William Maley—Answers to Questions on notice (from public hearing, 4 December 2012, Canberra)
- 7 Professor Stephen Howes and Mr Jonathan Pryke—Answers to Questions on notice (from public hearing, 4 December 2012, Canberra)
- 8 Dr Nematullah Bizhan—Answers to Questions on notice (from public hearing, 4 December 2012, Canberra)
- 9 Caritas—Answers to Questions on notice (from public hearing, 4 December 2012, Canberra)
- 10 Department of Defence—Answers to Questions on notice (from public hearing, 3 December 2012, Canberra)

- 11 Australian Federal Police—Answers to Questions on notice (from public hearing, 22 March 2013, Canberra)
- 12 Department of Foreign Affairs, Defence and Trade—Answers to Questions on notice (from public hearing, 22 March 2013, Canberra)
- 13 AusAID—Answers to Questions on notice (from public hearing, 22 March 2013, Canberra)
- 14 Department of Defence—Answers to Questions on notice, Question 6 only (from public hearing, 22 March 2013, Canberra)
- 15 Department of Defence—Answers to Questions on notice, Question 1 only (from public hearing, 22 March 2013, Canberra)

Appendix 3

Public hearings and witnesses

Monday 3 December 2012—Canberra

BERNARD, Mr Philip, Acting Assistant Secretary, Pakistan and Afghanistan Branch, Department of Foreign Affairs and Trade

BROWNING, Ms Michaela, Assistant Director General, Afghanistan and Pakistan Branch, South and West Asia Division, Australian Agency for International Development (AusAID)

DAWSON, Mr Scott, First Assistant Director General, South and West Asia Division, Australian Agency for International Development (AusAID)

DIXON, Dr John, Senior Adviser, Cropping Systems and Economics Program, Australian Centre for International Agricultural Research

HEARN, Dr Simon Eric, Principal Advisor, Australian Centre for International Agricultural Research

LARKINS, Ms Alison, First Assistant Secretary, Refugee, Humanitarian and International Policy Division, Department of Immigration and Citizenship

LEHMANN, Mr Paul, AusAID Minister Counsellor, Australian Embassy Kabul

MARSHALL, Air Commodore Hayden, Director-General, Support Branch, Department of Defence

MOORE, Mr Stephen, Director, Afghanistan and Pakistan, International Policy Division, Department of Defence

NEWTON, Ms Mandy, Assistant Commissioner, National Manager, International Deployment Group, Australian Federal Police

PRIOR, Mr Phillip James, Chief Finance Officer, Department of Defence

RAWSON, Ms Jennifer, First Assistant Secretary, South and West Asia and Middle East Division, Department of Foreign Affairs and Trade

SARGEANT, Mr Brendan John, Deputy Secretary, Strategy, Department of Defence

SCHIWY, Mr Simon, Assistant Secretary, International Cooperation Branch, Department of Immigration and Citizenship

SINGH, Mr Kerry, Policy Officer, International Cooperation Branch, Department of Immigration and Citizenship

WHOWELL, Mr Peter, Manager, Government Relations, Australian Federal Police

WOOD, Mr Paul, Chief Finance Officer, Government Finance and Information Services Division, Australian Agency for International Development (AusAID)

Tuesday 4 December 2012—Canberra

ANGIR, Ms Carol, Senior Program Co-ordinator, Addressing Violence Against Women, ActionAid

BIZHAN, Dr Nematullah, Private capacity

BRYANT, Mr Gareth, Member of Committee of Management, AID/WATCH

de GROOT, Mr John Francis Xavier, Chief Executive Officer, Caritas Australia

FERNANDEZ, Mr Melville, Group Leader, Humanitarian Emergencies Group, Caritas Australia

GOODMAN, Dr James, Member of Committee of Management, AID/WATCH

HOWES, Professor Stephen, Director, Development Policy Centre

KRISHNAN, Mr Pallassana Vaidyanatha Sarma (PV), Country Director, Afghanistan, ActionAid

LEAHY, Mr Peter Joseph, Principal Executive, International Programs, CARE Australia

LOEWENSTEIN, Mr Antony David, Private capacity

MALEY, Professor William, Private capacity

POULTER, Mr Adam, Manager, Humanitarian and Emergency Response, CARE Australia

PRYKE, Mr Jonathan, Researcher, Development Policy Centre

Friday 22 April 2013—Canberra

COUSINS, Ms Stephanie, Humanitarian Advocacy Lead, Oxfam Australia

DAWSON, Mr Anthony Scott, First Assistant Director General, South & West Asia Division, AusAID

GIBSON, Mr Michael, First Assistant Secretary, Resource and Assurance, Department of Defence

GOLEDZINOWSKI, Mr Andrew, Assistant Secretary, Pakistan & Afghanistan Branch, SMD, Department of Foreign Affairs and Trade

HAH, Ms Ming Yu, Campaign Coordinator, Amnesty International Australia

MARSHALL, Air Commodore Hayden, Director General, Support, Headquarters—Joint Operations Command, Department of Defence

NICOLLE, Ms Sophie, Government Relations Adviser, Amnesty International Australia

PILLA, Mrs Bianca Jane, Project and Communications Coordinator, Afghan Australian Development Organisation

RYAN, Dr Alan Maurice, Executive Director, Australian Civil-Military Centre

SARGEANT, Mr Brendan, Deputy Secretary, Strategy, Department of Defence

TATTERSALL, Mr Mark, Acting Assistant Director General, Afghanistan Branch, AusAID

YARDLEY, Mr David, Director, Afghanistan Domestic Branch, SMD, Department of Foreign Affairs and Trade

Appendix 4

12 Graduates for 1389, 1390 & 1391										
S/No	Province	1389/2010			1390/2011			1391/2012		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
1	Kabul Province	2,187	435	2,622	2,654	753	3,407	3,340	1,072	4,412
2	Kapisa	2,429	521	2,950	3,125	1,022	4,147	3,203	1,406	4,609
3	Parwan	2,916	621	3,537	2,954	790	3,744	4,523	1,395	5,918
4	Wardak	3,180	44	3,224	2,286	83	2,369	2,648	124	2,772
5	Logar	1,660	198	1,858	1,155	245	1,400	2,201	206	2,407
6	Ghazni	4,580	1,778	6,358	6,278	2,172	8,450	6,149	3,327	9,476
7	Paktia	1,920	76	1,996	1,249	27	1,276	2,006	123	2,129
8	Nangarhar	8,187	1,183	9,370	8,328	1,672	10,000	1,608	9,230	10,838
9	Laghman	2,670	483	3,153	2,131	416	2,547	2,305	539	2,844
10	Kunar	1,878	62	1,940	2,000	205	2,205	2,405	284	2,689
11	Badakhshan	3,846	2,833	6,679	3,911	2,506	6,417	4,877	4,354	9,231
12	Takhar	2,668	1,449	4,117	3,624	1,970	5,594	3,577	2,515	6,092
13	Baghlan	4,394	1,337	5,731	7,219	2,792	10,011	2,610	6,048	8,658
14	Kunduz	1,842	899	2,741	3,924	1,688	5,612	4,200	2,284	6,484
15	Samangan	678	362	1,040	799	345	1,144	1,126	504	1,630
16	Balkh	5,208	3,914	9,122	6,607	4,006	10,613	7,027	4,763	11,790
17	Jawzjan	1,879	1,066	2,945	1,965	900	2,865	1,995	1,261	3,256
18	Faryab	1,313	319	1,632	1,463	684	2,147	2,027	1,305	3,332
19	Badghis	488	73	561	620	170	790	985	253	1,238
20	Hirat	1,491	594	2,085	5,885	5,099	10,984	6,755	5,194	11,949
21	Farah	670	219	889	1,067	572	1,639	974	588	1,562
22	Nimroz	232	132	364	316	130	446	389	221	610
23	Hilmand	1,377	137	1,514	977	236	1,213	1,157	227	1,384
24	Kandahar	1,618	181	1,799	1,540	283	1,823	1,588	335	1,923
25	Zabul	132	-	132	163	9	172	213	16	229
26	Uruzgan	410	12	422	289	12	301	430	16	446
27	Ghor	516	199	715	1,861	360	2,221	3,129	566	3,695
28	Bamyan	1,668	412	2,080	2,252	748	3,000	2,124	1,091	3,215
29	Paktika	465	21	486	572	-	572	981	-	981
30	Nuristan	178	28	206	310	56	366	333	97	430
31	Sar i Pul	300	55	355	800	250	1,050	1,084	489	1,573
32	Khost	2,075	26	2,101	2,350	169	2,519	3,129	213	3,342
33	Panjshir	763	116	879	805	169	974	844	287	1,131
34	Daikundi	556	104	660	1,475	378	1,853	2,887	1,890	4,777
35	Kabul City	18,984	12,275	31,259	21,690	14,640	36,330	24,507	17,076	41,583
Total		85,358	32,164	117,522	104,644	45,557	150,201	109,336	69,299	178,635

