Governance & Development in Nangarhar Province in the Era of the Coalition Drawdown

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Preface and Acknowledgements

During the Capstone Workshop, the team learned a great deal about governance, development, and stabilization reforms; the opportunities and constraints of different actors and agencies; the interagency process; and the difficulties in assessing the situation and designing the best programs possible to assist local reform efforts. The team has gained a tremendous amount of respect for the professionals in the field and wants to thank all the organizations and individuals that have helped us in our task.

The team wishes to thank the Client for providing us with this unique opportunity and challenge. The team expresses our deepest gratitude to our Capstone Faculty Advisor, Richard Reiter, who bravely shepherded us through this process with patience and good humor.
**List of Abbreviations**

<table>
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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>ABADE</td>
<td>Assistance in Building Afghanistan by Developing Enterprises</td>
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<td>ACTA</td>
<td>Afghan Coalition for Transparency and Accountability</td>
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<td>ADT</td>
<td>Agribusiness Development Team</td>
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<td>AIHRC</td>
<td>Afghanistan Independent Human Rights Commission</td>
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<td>AISA</td>
<td>Afghanistan Investment Support Agency</td>
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<td>ANA</td>
<td>Afghan National Army</td>
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<td>ANDS</td>
<td>Afghan National Development Strategy</td>
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<td>ANSF</td>
<td>Afghan National Security Force</td>
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<td>ANSO</td>
<td>Afghan Non-Governmental Organization Security Office</td>
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<td>CASAREM</td>
<td>Central Asia-South Asia Regional Electricity Market or CASA 1000</td>
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<td>COIN</td>
<td>Counterinsurgency</td>
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<td>CPRC-E</td>
<td>Civilian Platform of Regional Command-East or the Client</td>
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<td>CT</td>
<td>Counterterrorism</td>
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<td>DABS</td>
<td>Da Afghanistan Breshna Sherkat (electricity company in Afghanistan)</td>
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<td>DAIL</td>
<td>Directorate of Agriculture, Irrigation, and Livestock</td>
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<td>DSF</td>
<td>District Stability Framework</td>
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<td>FM 3-24</td>
<td>Field Manual 3-24</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GIRoA</td>
<td>Government of the Islamic Republic of Afghanistan</td>
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<td>HIP</td>
<td>Hisar-E-Shahi Industrial Park</td>
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<td>ISAF</td>
<td>International Security Assistance Force</td>
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<td>IWA</td>
<td>Integrity Watch Afghanistan</td>
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<td>KWh</td>
<td>Kilowatt-hour</td>
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<td>M&amp;E</td>
<td>Monitoring and evaluation</td>
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<td>MAIL</td>
<td>Ministry of Agriculture, Irrigation, and Livestock</td>
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<td>MoCI</td>
<td>Ministry of Commerce and Industries</td>
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<td>MW</td>
<td>Megawatt</td>
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<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
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<td>NGO</td>
<td>Non-governmental organization</td>
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<td>NPP</td>
<td>National Priority Programs</td>
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<td>NSP</td>
<td>National Solidarity Programme</td>
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<td>PFM</td>
<td>Public Financial Management</td>
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<td>PPP</td>
<td>Public-private partnership</td>
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<td>PRT</td>
<td>Provincial Reconstruction Team</td>
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<td>RAMP-UP</td>
<td>Regional Afghan Municipality Programs for Urban Populations</td>
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<td>RoL</td>
<td>Rule of Law</td>
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<td>SHEP</td>
<td>Strengthening of Higher Education Program</td>
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<td>SOI</td>
<td>Source of Instability</td>
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<td>U.S.</td>
<td>United States</td>
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<td>USDA</td>
<td>United States Department of Agriculture</td>
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<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>USG</td>
<td>United States Government</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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1. Executive Summary and Key Findings

The Capstone team was invited by the Civilian Platform of Regional Command-East (the Client) of the International Security Assistance Force (ISAF) in Afghanistan to assess the critical stabilization, governance, and development needs in Nangarhar province, Afghanistan and to draft a proposal for civilian activities to address those needs during the 2013-2014 and post-2014 periods. Using both survey data of Afghan perceptions and insight gleaned through meetings with subject matter experts on Afghanistan, our team has identified 14 grievances in Nangarhar. From these, the team assessed two to be sources of instability: lack of livelihoods and inadequate dispute resolution.

To address these sources of instability and contribute to the province’s governance and development priorities, the team recommends specific U.S. government activities that can work to strengthen Afghanistan’s public financial management (PFM); improve the province’s dispute resolution mechanisms and capacity for rule of law (RoL); create jobs by bolstering its agricultural sector and electrifying its industrial parks; and enhance access to and quality of higher education in Nangarhar. These efforts support the Government of the Islamic Republic of Afghanistan’s (GiRoA) National Priority Programs (NPP) and the Afghan National Development Strategy (ANDS) and will strengthen the legitimacy of the central and provincial governments. Nangarhar will enhance its ability to collect taxes and provide services; bridge the traditional and formal justice systems; provide electricity and employment opportunities for a greater number of its residents; and invest in a more highly educated citizenry. Success in Nangarhar can provide the United States and its partners ideas to inform transitions in other parts of Afghanistan.

Aware of the restrictions—and opportunities—created by a reduced international civilian-military presence, the team explored how to maximize impact of U.S. government (USG) programming with fewer resources. Due to this reduced presence, innovative monitoring and evaluation techniques, such as crowdsourcing geo-tagged cell phone images supplied by locals contracted to oversee programs, are now necessary to steer these projects. Further, we recognize that Nangarhar does not exist in a political or geographic vacuum, and our recommendations may involve programming at a more centralized level of governance, and account for regional dynamics. Finally, for continued U.S. development assistance, we have assumed as a precondition that the 2014 presidential elections will have a decisive outcome that signals stability to key partners and investors in the region.

Our specific recommendations by sector are:

Public Financial Management: Strengthening Municipal Governance

- Bring together non-governmental organizations (NGOs) and media groups to promote watchdog activities and taxpayers’ obligations through means most utilized by citizens in Jalalabad.
- Facilitate NGOs to implement a version of the Open Budget Index in Jalalabad.
- Reexamine the Client’s development programs on municipal budgets to ensure a focus on building self-sustainability at the municipal level post-2014:
  - Guarantee that budget projections include recurring expenditures related to the delivery of public services.
o Identify opportunities to increase services fees.
o Create a performance-based bonus program for tax collectors.

Rule of Law
• Strengthen links between the formal and informal systems through better recordkeeping, expanded personnel recruitment program, and continued training of elders and justice professionals.
• Promote transparency through government oversight boards, more merit-based pay reforms, improved strategy for baseline data collection, and greater media outreach
• Invest in legal education in the long term.

Agriculture
• Conduct a comprehensive evaluation of past and existing agriculture programming in Nangarhar and use findings to modify medium and long-term objectives for sustainable assistance in this sector.
• Narrow focus to food security and accelerated job growth as recommended by the Dalberg 2011 report. Provide comprehensive and on-budget assistance to stabilize output and process wheat and select high-value crops.
• Expand regional and sector focus of the Assistance in Building Afghanistan by Developing Enterprises (ABADE) program to promote private sector investment in commercialization of agriculture.

Electrification
• Conduct an expedited feasibility study on projects to improve grid infrastructure in Nangarhar province that also prioritize electrification of Hisar-E-Shahi industrial park.
• Host an annual regional energy trade event that supports the successful construction and operation of an electricity transmission line (CASA-1000 project) through four Central Asian countries: Kyrgyzstan, Tajikistan, Afghanistan, and Pakistan.
• Assist Afghan-led efforts to rehabilitate hydroelectric dams in Nangarhar province.

Education
• Continue to partner with the World Bank’s Strengthening of Higher Education Program (SHEP) and encourage its continuation.
• Assist the University of Nangarhar to reassess its programs and priorities.
• Conduct an evaluation of private universities in Nangarhar and explore opportunities for collaboration between public and private universities to strengthen the quality of education in private institutions.

The team drew these conclusions after extensive research, assigned readings, and conversations with subject matter experts at relevant government agencies (both foreign and domestic) and in academia. The team cites written sources where available. In meetings, subject matter experts assumed a level of confidentiality and the team does not cite specific government officials.
2. Introduction

2.1 Review of Capstone Task

This report was prepared by graduate students at Columbia University’s School of International and Public Affairs as part of the Afghanistan: Governance and Development in Nangarhar Province in the Era of the Coalition Drawdown Capstone Workshop. The team was invited by the Civilian Platform of Regional Command-East (the Client) to assess the key stabilization, governance, and development needs in Nangarhar province and to draft a proposal for civilian activities in Nangarhar during the 2013-2014 as well as the post-2014 periods. Considering that ISAF, including U.S. military personnel and civilians, will be significantly reduced in Nangarhar by June 2013 and will continue to be drawn down through December 2014, future development programming will have little or no field involvement by foreigners.

2.2 Methodology

The team was unable to gather field data in Nangarhar given the province’s precarious security situation. The team met this challenge by using perception data provided by the Client. To supplement information on the local perspective, the team consulted U.S. government officials and military personnel; academics; field experts; representatives from the Afghan, British, and Indian Missions to the United Nations (UN); and an Afghan citizen originally from Nangarhar.

The team gained an in-depth understanding of Afghanistan’s history and political evolution from secondary sources recommended by the Capstone Faculty Advisor, which included a comprehensive list of books, journal articles, government documents, and other media sources. This information helped lay the foundation for the team’s understanding of the sources of instability (SOIs) in Nangarhar and formulate the proposed projects. Additionally, the team monitored news updates related to Afghanistan.

U.S. Government Policy

By December 2009, President Obama approved a shift in the U.S. strategy in Afghanistan from counterterrorism (CT) to counterinsurgency (COIN) in response to the increasing presence of the Taliban and a deteriorating security situation. The COIN doctrine, encapsulated in Field Manual 3-24 (FM 3-24), was led by General David H. Petraeus and a team of military and civilian officials based on the experiences and lessons learned in Iraq, as well as Vietnam and other insurgent environments. FM 3-24 was built on two main ideas: first, protecting the population was vital to the success of counterinsurgency campaigns; and second, the army had to adapt more rapidly than the insurgents. In adopting a COIN strategy in 2009, President Obama announced a surge of 33,000 American troops as well as a stronger civilian presence. Obama also included an explicit timeline for the withdrawal of those troops starting 18 months after the surge. The main objective of the COIN operation was to stabilize strategic areas by protecting the population as well as to gain the support of the Afghan people by fostering the development

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of effective and legitimate governance through sustained financial, political, and military resources. Although the short-term focus of the expanded operation was to launch a “high-intensity effort to regain the initiative against the Taliban,” the long-term objective was aimed at “transition” and training the Afghan National Security Forces (ANSF) to take the lead in preventing the re-infiltration of insurgents.

Ten thousand of the surge troops returned home by June 2011, and the phased withdrawal of the remaining 23,000 was complete by September 2012. The end of the surge signaled the return to a primarily CT-based strategy narrowly aimed at eliminating “safe haven[s] from which al-Qaeda or its affiliates can launch attacks against [the United States] and [its] allies,” although significant governance and development activities continue to this day. In his 2013 State of the Union Address, President Obama announced the drawdown of an additional 34,000 troops by early 2014. The current strategy requires fewer American personnel to operate in the field. U.S. officials expect the White House to reduce troop levels to no more than 10,000 by December 2014, at which point their main mission will be to train, advise, and assist the ANSF as well as to conduct specific counterterrorism operations.

As a result, the U.S. government has identified three critical transition processes in Afghanistan:

- **Security**
  - Transfer of leadership on security issues from ISAF forces to ANSF.
  - Post-2014, international coalition forces will play a supportive, non-combat role. A reduced coalition force will remain and continue pursuing al-Qaeda and affiliates.

- **Political**
  - 2014 Afghan Presidential and Provincial Council elections are important to the future peace and stability of Afghanistan.
  - 2015 parliamentary elections are also important to the long-term stability and legitimacy of the Afghan government.
  - Greater regional cooperation and integration will promote greater security.

- **Economic**
  - Reduction in foreign resources is expected to contract the Afghan economy.
  - Development programs will need to be Afghan-led due to reduced field presence of international personnel.
  - Reducing rural poverty will require greater investment from GIROA in key agriculture initiatives.
  - Strengthening the private sector will be essential to sustain economic growth.

**Key Dates**
- April 2013: Closure of Provincial Reconstruction Team (PRT) in Nangarhar
- April 2014: Presidential and Provincial Council elections
- December 2014: Complete drawdown of ISAF security forces

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4 Ibid.
• 2015: Afghan Parliamentary elections

2.3 Guiding Principles
Key messages to the Capstone team from subject matter experts include:
• Focus on urban centers for best return on development investment in terms of job creation and to make monitoring and evaluation (M&E) more viable.
• Do not overcomplicate issues (avoid complexity trap). Aim for simplicity in design.  
• Work on Afghan timeline and not on donor or foreign government timelines.
• Find out what the problem is and do own diagnosis to understand root causes and redresses. What people say they want is not necessarily what they need, nor may not address the root cause of the instabilities.
• Consider geographical opportunities and barriers.
• M&E are best done by training locals.
• Utilize the District Stability Framework (DSF) to identify sources of instability and resiliency.
• Consider local political interests and influence.
• Consider impact of elections.
• Involve the private sector and regional actors.
• Focus on long-term outcomes rather than short-term gains.
• Do not set overly ambitious goals; be practical about country’s absorption capacity. Think of the disconnect between policy objectives and ability to implement them.
• Think about how development programs can strengthen local capacity.
• Incorporate a feedback loop in any project design or proposal because plans made in Washington will undoubtedly need to be changed in the field.
• Research other post-conflict examples (i.e., Kosovo, the Philippines) to find out what has been done before.

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3. Overview of Afghanistan and Nangarhar

3.1 Overview of Afghanistan and Nangarhar

For centuries, Afghanistan has been a battleground. The last thirty years of conflict have been especially brutal, resulting in widespread destruction, great loss of life, and unspeakable atrocities. The conflict in Afghanistan has been complex, involving a number of actors both domestic and international. According to the Afghanistan Independent Human Rights Commission (AIHRC), established under the Bonn Agreement in 2001, the conflict in Afghanistan is “commonly divided into three periods: the period of the Soviet invasion and Communist rule (1978-92); the period of the rule of the Mujahideen (1992-96); and the era of the Taliban (1996-2001).”\(^8\) The rise of Taliban, a hardline Pakistani-sponsored movement, ended civil war and anarchy.\(^9\) The AIHRC concludes that despite the various segments, “conflict in Afghanistan has been experienced by many of the victims as a long and seamless period of uninterrupted violations.”\(^10\) This history demonstrates the challenges of establishing legitimate and non-contested governance in Afghanistan.

Decades of conflict have frayed the socio-economic fabric of Afghanistan. Despite more than a decade of reconstruction and development efforts, Afghanistan is still in a state of political and economic uncertainty with its government unable to provide security and deliver basic services to its citizens. As the 2014 drawdown looms, there is growing concern that civil war may ensue. Recently, however, efforts have been made to encourage a reconciliation process with the Taliban.\(^11\)

Although Afghanistan’s rough terrain has prevented invading forces from maintaining a permanent presence, it has also provided a safe haven for terrorist and destabilizing groups such as al-Qaeda. Afghanistan is strategically positioned as the gateway to Asia and has the potential to either undermine or contribute to regional peace and security. It lies in a highly volatile neighborhood; therefore, a stable and secure Afghanistan is in the common interest of its neighbors as well as the international community. Ethnically, Afghanistan comprises Pashtuns (42%), Tajiks (27%), Hazara (9%), Uzbeks (9%), Aimaks (4%), Turkmen (3%), Baloch (2%), and other groups (4%).\(^12\)

Due to its economic potential, border with Pakistan, current governor, and security challenges, Nangarhar province will be a focal point of Afghanistan during the transition. Its population of about 1.2 million people is dominated by Pashtuns. It has an agrarian-based economy and, like much of the country, low rates of literacy, inconsistent access to electricity, and limited capacity to deliver basic services. However, Nangarhar is the breadbasket of

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Afghanistan and straddles Highway 7, the major transit route to Pakistan, which offers immense economic opportunities. This same geographic advantage is a challenge for monitoring cross-border movement of insurgents and contraband. Similarly, Governor Gul Agha Sherzai represents both opportunities and challenges for the province. A classic image of warlordism, he is an outsider in Nangarhar who has often been accused of corruption and questionable ethics. However, he has brought some security, infrastructure development, revenue collection, and government legitimacy to the province. Yet despite his efforts, insecurity continues to be cited as a significant problem, thus a drastic reduction in external resources could potentially have negative repercussions on the decade-long efforts of the international community in Afghanistan.  

3.2 Defining Sources of Instability (SOIs) and Threats to the Transition

Priority grievances are defined as “matters [that] a significant percentage of locals—not outsiders—identify as important to the community.” Sources of instability are a subset of the priority grievances that undermine support for the government, increase support for malign actors, or disrupt the normal functioning of society. The Client provided the Capstone team with perception data from the United States Agency for International Development (USAID), which contracted an Afghan firm to conduct quarterly surveys in key districts in Nangarhar to capture Afghans’ opinions of ongoing reforms. The data was collected across seven quarters between July 2010 and January 2012. Surveys were administered either in Pashto or Dari to accommodate the respondent.

Based on the perception data, the Capstone team identified 14 grievances that the respondents identified as the most serious problems in their district. Of those grievances, lack of electricity, unemployment, and infrastructure were the top three (see Figure 1 in Appendix). The team interpreted “unemployment” to mean “lack of livelihoods,” as the latter is a broader term capturing more sectors of employment, including subsistence agriculture, which is how the majority of Afghans support themselves. Starting from these grievances, the team analyzed and consulted with subject matter experts to identify which of them, if not properly addressed, could be the greatest threat to a successful transition in Nangarhar.

The team concluded that the lack of livelihoods and insufficient rule of law were SOIs. Both of these grievances decrease the support for government (given citizens’ expectations for the role of government) and increase support for malign actors (since people may look for alternative sources of these goods, which may mean looking toward actors in opposition to the government). The team believed that the lack of electricity was closely related to the lack of livelihoods, in that electricity can boost the industrial capacity of the province, leading to additional employment opportunities. The team also concluded that while public financial management and tertiary education reforms did not directly address the identified sources of instability, they were nevertheless important development priorities for Nangarhar and ones that deserve the attention of the Client during the drawdown.

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14 Derleth, James W. Alexander, Jason S. “Stability Operations: From Policy to Practice”. PRISM 2, no. 3, Pg. 2
The recommendations made in this report are situated along a continuum of stability, with stabilization activities at one end and development programming at the other. The team envisions our selected sectors of focus at the following places along this continuum:

- Stabilization
- Agriculture
- Safety
- Electricity
- Higher Education
- Development
- Rule of Law
- Public Financial Management

In addition to SOIs, there are political, economic and security threats that could undermine the stability of Nangarhar and Afghanistan.

- **Security**: Inability of the ANSF to secure the territory and population from criminal and insurgent groups.
- **Political**: Inability of the central and sub-national governments to prioritize programs and deliver services to the citizens, which undermine their legitimacy and capacity to govern.
- **Economic**: Low economic development following reduced foreign assistance in the coming years could result in increased unemployment, an inability to attract national and foreign investment, and an increase in activities related to cultivation and trafficking of narcotics and other illicit activity.

3.3 Election Scenarios

The presidential and provincial council elections on April 5, 2014 represent a milestone in Afghanistan’s transition and a test of the progress made so far. This will be the third presidential election since the fall of the Taliban in 2001. The Capstone team mapped out three possible scenarios, each with different impacts.

The first, and most desirable, scenario is a free and fair electoral process, with the majority accepting the results and the ANSF able to keep the country safe. This means there would be a smooth transition from President Karzai to his successor. The result would send a message to the Afghan population, the insurgents, and the international community that the country is politically stable. It would communicate to internal and external investors that the country is on the right track.

The second scenario is one in which the parties coming to consensus behind closed doors and settling on a single or small number of leading candidates. If voting day goes smoothly and relatively peacefully, the result may be positive. This process would yield a winner accepted by the major political forces, and this would contribute to political stability.

The third scenario, and least desirable, is a lack of a decisive outcome or no outcome at all. This could be due to a failure to hold an election, an election that is fraught with corruption and violence, or a decision of the current government not to vacate the presidency. The worst outcome would be a large escalation of violence. This scenario would represent a major setback.
for the work done so far by Afghans and foreigners, and would pose a challenge to the future of the country.

4. Assessment of Effects of Drawdown for Programming
4.1 Military Drawdown

Coalition forces are presently transferring responsibility for security to the ANSF. Remaining ISAF forward-operating bases are either closing or being relocated and consolidated. Military resources and presence on the ground are being reduced, necessitating the consolidation and prioritization of governance and development personnel and programming. Military operations in many rural areas will be phased out and the military will focus its resources on training Afghan security forces and working with them to address security objectives. A reduced ISAF presence may also lead to a reduction in violence.

Neither final troop levels nor any explicit drawdown timetable are publicly available. Even though final U.S. troop levels are still being decided by the White House, U.S. officials expect no more than 10,000 troops present in Afghanistan after December 2014. As a benchmark announced in the President’s 2013 State of the Union Address, the U.S. military is likely to shrink from its current level of 68,000 personnel to about 34,000 by February 2014.

4.2 Civilian Drawdown

Despite the fact that the civilian surge in Afghanistan occurred after the military surge, the civilian drawdown has proceeded much faster than the military’s. The civilian side of the Provincial Reconstruction Team (PRT) in Jalalabad is currently closed. Across Afghanistan, the reduction of the military will impact the number and location of the civilian presence. Fewer resources will be made available to civilians in terms of security and protection inside and outside of bases, and mobility previously afforded to aid workers through military capabilities will be limited. The military side of the Nangarhar PRT will remain open with no definitive closure date publicly available. Military commanders have offered to continue housing civilians beyond their official drawdown dates, and this may prolong the actual presence of U.S. civilians in Jalalabad.

While the U.S. government has not decided yet on the future footprint of the U.S. mission, there is a range of options. There will be the U.S. Embassy in Kabul plus anywhere from one consulate (in Herat) to four throughout the country. Jalalabad, Mazar-i-Sharif, and Kandahar are all potential sites for other consulates. The ability of U.S. civilians to leave Kabul and access other provinces, such as Nangarhar, is highly dependent on the U.S. military or an equally capable security presence.

USAID is already adjusting to the drawdown by consolidating its range of programming. The programming areas will be reduced from over 20 sectors to eight: Agriculture, Democracy

& Governance, Economic Growth, Education, Gender & Participant Training, Health, Infrastructure and Stabilization.

Though effective monitoring and evaluation was already a challenge even at the high point of the civilian surge, it is now further complicated by the drawdown. This will lead to increased dependence on third-party contractors and Afghan nationals to provide information necessary to steer projects. Creative methods that employ remote management are likely to be developed and executed. Other international actors will also face these challenges, and closer collaboration between USG, development banks, NGOs, third-party contractors, and Afghan nationals will allow the international community to assess efficacy of governance and development programming in Nangarhar. For detailed recommendations on M&E, see Section 6.

4.3 Budget Trends
Congress has yet to appropriate any multi-year budget for Afghanistan, and instead evaluates need on a year-to-year basis. The President’s fiscal year 2014 budget request for Overseas Contingency Operations in Afghanistan merely functions as a “placeholder” until final personnel levels are determined.19 The President’s budget request for 2014 shows a rise in funding, but this is largely due to costs associated with the transition. The President’s total 2014 budget request for Afghanistan is $3.1 billion, divided into $2.2 billion for assistance and $0.9 billion for American diplomatic presence.20 Compared to the actual 2012 numbers of $2.3 billion, the request shows a significant increase.21 Yet the increase is temporary, since it is likely associated with costs for the drawdown as well as the construction of new consulates. Many expenses will not be continued in the coming years.

20 Ibid.
5. **Sectors Selected for Recommendations**

5.1 **Explaining Our Selected Sectors of Focus**

In making recommendations to the Client, the team has selected to focus on municipal public financial management; dispute resolution and rule of law; and economic growth and development. These selected recommendations address different points along the continuum from stabilization to development and may be more relevant for specific districts within Nangarhar. However, taken together, these recommendations are intended to build legitimacy of the government and set the province on the long-term path toward self-sustainability and development.

5.2 **Public Financial Management: Strengthening Municipal Governance**

*Background*

The team has chosen to limit the focus on public financial management (PFM) reforms to municipalities within Nangarhar province, specifically Jalalabad. By focusing on local service delivery, the Client can more effectively assist in rebuilding the social contract in Nangarhar and in increasing the government’s self-reliance. Improving the public financial management of Jalalabad would directly contribute to more effective, sustainable and accountable governance. PFM falls under the “governance” cluster of National Priority Programs (NPPs) and pertains to three in particular: Transparency and Accountability; Local Governance; and Economic and Financial Reform.

The 2004 Afghan Constitution sought to create a system with a strong central government, with provincial governors appointed by the president.22 Provincial councils are elected and are mandated to “participate in the attainment of the development objectives of the state…and shall advise the provincial administrations on related issues.”23 Yet the constitution does not allow for public revenues to be raised at the provincial level, therefore provinces have no budgets to develop independently of the central government. By contrast, the constitution establishes municipalities run by elected mayors and municipal councils, and allows them to raise revenues.24 In the long-run, Afghanistan seeks boosted legitimacy and self-reliance. Improvements in the PFM system at the municipal level can contribute to this objective by demonstrating at the local level that government is working in service to citizens. It is hoped that what may work in Jalalabad may work in Afghanistan’s approximately 150 other municipalities.25

Yet while the Afghan Constitution allows for municipal mayors to be elected, Jalalabad is “led by a mayor appointed by the president in consultation with the [provincial] governor.”26 Jalalabad is governed by Mayor Lal Agha Kakar. Though there is a shortage of information

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publicly available about him, based on recent reports, he has been involved in some disagreements with citizens over property rights and land ownership. 

**Successes**

Public financial management (PFM) reforms in post-conflict environments can play a crucial role in undoing the damage caused by violence by enhancing government transparency, facilitating service delivery to citizens, and bolstering the popular perception that government works in service of the people. “No other public management practice can dispel shadows and suspicions as effectively.”

Strengthening Afghanistan’s PFM has been a priority for both GIRoA and foreign donors, resulting in some progress. In 2011, the World Bank published a report synthesizing its work on PFM reform in eight post-conflict countries of which Afghanistan was one of four ranked as having made “substantial” improvements since 2001 (compared to “intermediate” or “limited” progress). However, the country needs further improvements towards self-reliance given that in 2011, revenues collected contributed only to 11% of GDP.

Ministerial oversight of the subnational governance agenda is not entirely clear. The ability of municipalities to raise their own revenue and retain a portion of it to spend it on operations and expenditures is also subject to the Ministry of Interior. By law, the Ministry’s Municipalities Department has multiple oversight functions including the “management and organization of municipality’s affairs; receipt of reports from the municipalities; provision of instructions; approval of municipal budgets; and review of mayors’ performance.” The Ministry of Finance also plays an important role in this agenda, because it is the ministry responsible for ensuring that funds are disbursed in Kabul and reach the local level. Finally, the Independent Directorate of Local Governance (IDLG), a body with ministerial status and a place in the Cabinet, is tasked with leading the subnational governance agenda. Supported mainly by

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30 Afghanistan, Cambodia, Democratic Republic of the Congo, Kosovo, Liberia, Sierra Leone, Tajikistan, and the West Bank and Gaza
34 Ibid., Pg. 28.
international donors, the IDLG has worked toward improving subnational PFM by engaging in provincial and district-level capacity building and training officials in strategic planning processes. The IDLG is also supporting municipalities in reforming their budgeting and planning processes, building capacity through stationing advisors in municipalities, and establishing tax collection systems, principally through the USAID-funded Regional Afghan Municipality Programs for Urban Populations (RAMP-UP). RAMP-UP East is “active in 14 municipalities in eastern and central Afghanistan,” including in Jalalabad and is slated to continue through February 2014.

The UN Development Programme (UNDP) has also worked on issues of subnational governance at the provincial and municipal levels. According to its own progress reports, UNDP has assisted in arranging public consultation sessions in Jalalabad regarding revenue collection and service delivery priorities. Additionally, UNDP has assisted in “tax mapping” activities in Jalalabad, including undertaking “property inventory, valuation, and registration…to increase control over municipal taxes.” It has also helped Jalalabad develop a Nahia Development Plan in 2012 to “enable the implementation and monitoring of demand-driven public service deliveries.”

Gaps

While international assistance has resulted in some successes, problems remain at two levels. The first is the distortion of the overall PFM system due to the prolonged efforts of the international community. The second is the risk of dependency on an informal political economy that has been delivering some public services outside the formal system.

_Distortion of the Afghan public financial management system_ – The international resources and assistance that have flowed into the country since 2001 skewed expectations of the obligations of all levels of the Afghan government and citizens. The government has had a diminished incentive to raise public revenues due to the foreign funding stream that has paid for such services. Citizens also see foreigners as a source for services and have not been accustomed to paying taxes in exchange of those services. Additionally, donors’ overlapping and duplicative

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37 Ibid. Pg. 12.
40 Ibid. Pg. 20.
42 From 2006 to 2011, Afghanistan’s total public expenditure increased 160 percent, from $5.5 billion to $14.3 billion; 90 percent of this expenditure was funded by foreign donors, especially the U.S. The remaining 10 percent was financed by domestic revenues, mainly collected from income and property taxes. Ministry of Finance. 1392 National Budget.
efforts and their lack of common frameworks and performance indicators have only further complicated the picture.\textsuperscript{43}

Resources and training provided by the international community have given the government of Jalalabad a foundation in terms of equipment and infrastructure to provide public services to its citizens. Once this aid starts decreasing, the main challenge for the local government will be to continue providing the services on its own. Generating domestic revenues will be crucial to help complete this task and to achieve self-reliance.

Surveys administered by RAMP-UP in 14 municipalities in Eastern Afghanistan (including Jalalabad) show that citizens are not accustomed to paying for trash, water, and electricity services. For example, 87\% said they do not pay for trash services in their cities.\textsuperscript{44} Additionally, only 15\% of the respondents said that they pay Sayafī (city fees or taxes). Therefore, while the USAID-supplied perception data shows a high level of dissatisfaction with services, the RAMP-UP surveys show that citizens are not paying for them. This creates a vicious cycle that undermines the provision of good quality services.

\textit{Informal political economy} – Due to the low capacity of formal units of government, an informal political economy has in some cases largely been responsible for service delivery. This has occurred mostly in cities in which strong local officials have collected off-the-books revenue and yet provided some development and reconstruction initiatives.

This is true in Jalalabad. Its proximity to the Torkham Gate border crossing allows officials to raise revenue from customs. It is estimated that unauthorized customs revenues add up to a figure between $1.5 million and $4 million per month.\textsuperscript{45} These funds are channeled to what is dubbed “the Sherzai Fund,” which has been used for personal enrichment, to fund reconstruction and development projects and to deliver services informally.\textsuperscript{46} “Much of his reconstruction money appears to come from illegal tolls charged on freight entering via Torkham Gate.”\textsuperscript{47} In one case, to make up for “a gaping shortfall in funding for social programs” in Nangarhar, Governor Sherzai donated $100,000 for one initiative by the Ministry of Labor, Social Affairs, Martyrs, and Disabled and in another episode offered $30,000 for an X-ray machine.\textsuperscript{48} Experts have said that his reconstruction efforts have for the most part been directed to Jalalabad. “He deserves credit for his reconstruction efforts in the provincial capital of


\textsuperscript{46}Ibid.


Jalalabad, but has done little outside the city.” Therefore, Governor Sherzai does provide for public services on an informal basis, but these services should be built into a formal system so that they are not wholly dependent on individual leaders.

**Recommendations**

The following recommendations will contribute to the Afghanistan’s self-reliance, economic growth, reduction of unemployment rates, and better governance. They can also lead to a more transparent government that can demonstrate its value to society by delivering services and fulfilling its side of the social contract. In this way, people’s faith in government could be restored and lead to a more stable Afghanistan by making the government—and not the Taliban—an object of popular support.

The recommendations will focus on the interaction between the municipal government of Jalalabad, the media, NGOs, and citizens to increase citizens’ awareness of and participation in government processes. The overall objective is to empower the Afghan citizens, especially in Jalalabad, through an intensive campaign promoting awareness of their rights and obligations as taxpayers. On the rights side, citizens are entitled to demand transparency, to be consulted during the preparation of the municipal budget, and to monitor the revenue collection process and provision of services. On the obligations side, a clear message should also be transmitted about the link between paying taxes and receiving better public services while reinforcing realistic expectations about what can be delivered by local authorities.

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An NGO-media partnership could help the NGOs better package advocacy messages for broader consumption by focusing on radio stations in Nangarhar, which is the medium most accessed in Jalalabad for news. According to perception data provided by USAID, 92% of residents of Jalalabad say they get their news from the radio, followed by 3% of residents (the next-highest group) who report getting their news from television. The same efforts could be made if ACTA chose to undertake a municipal budget review as well, perhaps even as a pilot.

In addition to promoting the watchdog activities of NGOs and civil society groups, the media could further strengthen governance by endorsing and spreading the message of taxpayers’ obligations and the value of participating in government through district (municipal) council meetings and community forums.

The team recommends that the Client bring together NGOs and media companies and conduct training for the media, specifically focusing on the avenues that people in Jalalabad access most: radio and television.

Secondly, the team recommends that the Client advise Integrity Watch Afghanistan (IWA), an organization already a USAID partner, to implement the Open Budget Index in Jalalabad. Currently, IWA connects with an NGO called International Budget Partnership to publish a similar index at the national level. According to the 2012 survey, Afghanistan was one of the countries with an impressive improvement in the Open Budget Index due to: publication for the first time of the Pre-Budget Statement, the Executive’s Budget Proposal, and the Citizen Budget. The ability to track these improvements demonstrates the value of the Open Budget Index and serves as justification to implement similar measures at the municipal level. The Client should advise IWA to elaborate and improve the index.

Finally, we recommend that the Client reexamine its current development programs focusing on municipal budget design and management. The Client should ensure all resources focus on building self-sustainability at the municipal level post-2014. This does not need to entail an extensive review of U.S. government programming, since the Client already has the structure in place to make this a priority: RAMP-UP East.

One example of how to build self-sufficiency post-2014 in Jalalabad would be to assure the delivery of services by guaranteeing that budget projections are well-planned to include recurring expenditures related to delivery of public services. Over the past decade of international involvement, there has been a large amount of hardware delivered to municipal

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50 See for example, Afghan Coalition for Transparency and Accountability, “1392 National Budget Review.”
52 Perception Data from Nangarhar, provided by Client.
governments as part of development assistance devoted to improving the capacity of municipalities to carry out public services. This hardware will remain in Afghanistan, but will need maintenance. The costs associated with the maintenance will have to be absorbed by the government and included in annual municipal budgets. Therefore, the Client should now ensure that programs, such as RAMP-UP East, are providing training to Afghan officials to plan for such costs.

Another example of building the long-term self-sufficiency of municipal governments would be for the Client to work now with Afghan officials to map out opportunities how to collect public revenue. There may be opportunities for Jalalabad to adjust the fees the city collects in exchange for delivering services such as electricity, water, and waste disposal. The objective is increasing revenue to be able to sustain these activities into the future and decrease the reliance on informal networks for public goods. One possible way to incentivize revenue collection may be to compensate tax collectors with a bonus based on the number of people from whom they collected taxes. Giving these extra incentives to broaden the tax base will increase the number of people who pay taxes. The monitoring of an NGO for this process would be critical for its success. Another possible way to catalyze tax collection would be for the local councils to discuss popular grievances so as to facilitate and unblock any impediments to paying taxes. This can be done through the District Development Assembly or the Community Development Council.
5.3 Dispute Resolution/Rule of Law

Background

Fair and effective rule of law promotes democracy, economic growth, and protection of human rights. Rule of law “is not a single, unified good but is composed of five separate, socially desirable goods, or ends: (1) a government bound by law, (2) equality before the law, (3) law and order, (4) predictable and efficient rulings, and (5) human rights.” As both international civilian and military presence recedes, Afghan-led rule of law reform can enhance the legitimacy of GIRoA by providing Afghan citizens with basic rights and services. The recommendations contained in this section aim to support the Kabul Process principles enshrined in the National Priority Programs, specifically in the “Governance and Law and Justice for All” section.

A dichotomy exists between Afghanistan’s formal and informal justice systems. In Nangarhar, Pashtuns are the dominant ethnic group. Pashtuns adhere to the tribal honor code of Pashtunwali, or “the way of the Pashtuns.” If a Pashtun does not observe this code, he or she is denied the rights, protection, and support of the Pashtun community. Pashtunwali is at the heart of the Pashtun identity, which includes norms of honor, hospitality, gender boundaries, and jirgas. A jirga is a meeting held by community elders to make a specific decision. Similarly, shuras, or advisory councils of elders, also participate in community decision-making. These two mechanisms carry out many dispute resolution cases in Nangarhar. Islam holds much clout in Afghan communities and human rights ideals can be viewed as imposed Western notions.

Though Nangarharis utilize both the informal and formal justice systems, an estimated 80% of all disputes are resolved through provincial shuras and jirgas. Many Nangarharis living in rural areas are illiterate and unaccustomed to obtaining services from Kabul. Hence, they have typically looked to the informal system for dispute resolution. Afghans view the informal system as more accessible, cost-effective, legitimate, aligned with their values, and less corrupt than the formal system. Working side-by-side with GIRoA, the informal system can alleviate financial burden to the state, permit flexible justice, and incorporate local beliefs and customs. Likewise, the informal system can benefit from a partnership with the formal system. Tribal elders can, and

59 Ibid.
60 Ibid.
62 Ibid.
65 Ibid.
should as dictated by current law, refer serious cases (e.g., murder) to the state justice system. This alleviates the informal system of dealing with potentially dangerous and complicated issues. These more serious disputes are more difficult to resolve and can possibly undermine the authority of the formal system if the informal system attempts to resolve the case.

**Successes**

Curbing corruption and endorsing reform can yield fair and effective rule of law. In the past, international organizations have helped provide these services. From the United Nations to small NGOs, various groups have participated in a multitude of projects to improve rule of law in Afghanistan. In recent years, GIRoA, with assistance from donors, has introduced merit-based hiring. This aims to improve the appointment process of provincial and district governors and to fill civil service positions. Due to the 2014 military drawdown, foreign assistance will wane, but these reforms can burgeon with GIRoA at the helm.

Afghanistan has made progress in pushing for higher-quality rule of law. There has been success with training hundreds of judicial officials, encouraging more budget oversight, and creating district community councils for better governance. Successful projects tend to include certain characteristics: linking the informal system to the formal system, providing proper training, and promoting strong public awareness.

**Importance of linking the informal system with the formal system for effective dispute resolution** – Communication and regular meetings with police, judges, prosecutors, elders and the community are key. A large majority of Afghans consult the informal system for civil cases such as land disputes. Even in Jalalabad, the most urban region in Nangarhar, the majority of citizens report seeking out elders over district authorities in cases of land disputes. In several Nangarhar districts, the bulk of citizens report being satisfied with the local informal justice system. Since the informal system is ingrained in the Afghan culture, the formal system must work in tandem with it but demand primary jurisdiction in certain areas as well. Though traditional justice is common, the informal system has its deficiencies, particularly in the area of human rights. Women are still largely excluded from participating in decision-making processes. As in a recent honor killing case, the informal justice system failed to protect a female, and Afghan civil law should have prevailed. Here, linking with GIRoA helps to fill gaps and to protect human rights. The informal system contributes greatly to assisting in dispute resolution

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70 Ibid.

71 Perceived Data from Nangarhar, provided by Client.

72 Ibid.

and keeping costs low, and GIRoA can ensure fair decisions in cases. Linking the two systems can lead to both an equitable and accessible justice system.

**Importance of sufficient and proper training** – Traditional elders and government officials trained on the mechanisms of both systems, the law, and human rights provide a more effective and legitimate justice system. On-the-job training for police, prison, judiciary, and public servants is particularly productive. The majority of training implemented by other Afghans can create stronger ownership. Properly equipping community leaders and professionals can extend the legitimacy and reach of GIRoA down to the village level.

**Importance of leveraging the media and creating strong public awareness** – Information campaigns, public trials, and general public awareness can create more accountability and transparency of the justice system. The private sector, media outlets, and civil society can be leveraged here. Citizens’ participation is needed for reform.

**Gaps**

Despite some best practices, gaps in rule of law endure because of the physical absence and the low capacity of the state. Previous rule of law reforms have encountered cultural gaps and have “approached ‘justice’ as a subset of the ‘rule of law’ sector, neither of which make sense to rural Afghans, since the rule of law as we describe and ‘projectize’ it is alien to them, whereas justice is primordial. Unfortunately, for the most part the formal government is not associated with the provision of justice.” Professional and educational skills gaps also persist. Within the formal system, judges, prosecutors, and defense attorneys need to understand the law to ensure fair resolutions. “Justice is at the core of peace in Afghanistan… Urgent action is also needed to realign international assistance to strengthen support for legal education, case management, data collection and legal aid.” Simultaneously, the informal system requires capable and reliable elders. Further legal training, literacy programs, and improved recordkeeping among tribal elders can increase transparency and accountability. These endeavors can alleviate corruption in both systems. Additionally, the inaccessibility of the justice system for women poses serious problems for the state’s constitutional obligation to defend the principle of equality under the law. A cultural shift towards the equal treatment of women has yet to transpire. To combat its low capacity, GIRoA’s entire state justice system can initiate reforms and reach out to the informal system.

81 Ibid.
Thus remaining gaps include: disassociation between the informal and formal systems, lack of female involvement in both justice systems, the need for better public awareness, deficient recordkeeping, lack of good land registries, corruption, political influence on the justice system, and inadequate metrics for monitoring and evaluating. Yet gaps reach beyond the judicial system, there is a need for simultaneous reform across the spectrum to all judicial, police, and prison systems. The Afghan National Police often lacks the quality and proper forensic analysis to provide prosecutors with the necessary evidence to try cases successfully in court. While the prison system has only basic existence in urban centers, it has no presence in many rural districts and some provincial centers. Focusing on linking the formal and informal sector can have the most promising impact and maximize on existing structures to be used without establishing new ones.

**Recommendations**

Neglecting rule of law reform in post-conflict countries can result in violence and instability as witnessed in the other post-conflict situations. Many countries experienced similar conditions to Afghanistan: civil war, informal/formal justice systems, presence of warlords, and the influence of Islam. Failure to implement robust rule of law reform properly in these countries often resulted in negative outcomes.

For example, in Somalia, lack of harmonizing different actors led to a rise of Islamic extremism. Efforts to coordinate its parallel justice systems were interrupted by political turmoil and lacked public involvement, ultimately resulting in failure. Somalia needed training, equipment, legal education institutions, empowerment of the public, translation and dissemination of laws, and better coordination among local actors. East Timor serves as another case having lacked coordination and training. The crumbling of the legal system led to stopgap projects. New judges with no judicial experience were given only sporadic training and future lawyers received no mentoring. An immense backlog also resulted: the Office of the Prosecutor General recorded a total backlog of 3,197 cases at the end of 2003. In 2005, the East Timorese government dismissed all judges for failing capacity tests. Bosnia-Herzegovina serves as yet another negative example. Due to its highly segregated ethnic populations, the justice system was disproportionately staffed. At times, one ethnic group may not have been prepared to appear before or be represented in court by the other group. Lastly, lessons can be gleaned from the reform process in Sierra Leone. On account of improper training and lack of

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82 Ibid, 43.
86 Ibid.
87 Ibid.
89 Ibid.
90 Ibid.
oversight, unprofessional conduct and absenteeism by court personnel were common. In each case, these failures reduced the legitimacy of the state and often led to violence and turmoil. Afghanistan and Nangarhar can learn from these past experiences and refocus on more coordinated, aligned, and robust efforts.

Reform programs need to be well-designed, sustainable, feasible, and most importantly, Afghan-centered. The team’s research shows the need for the development of an integrated model of justice that incorporates cultural norms, Islam, national laws, and the protection of human rights with a focus on the district level. The team recommendations are as follows:

- More effective communication between the formal and informal systems, including:
  - Organizing and hosting regular discussions between the systems. The Provincial Justice Center in Nangarhar can serve as a shared resource for these meetings.
  - Implementing better recordkeeping.
  - Expanding personnel recruitment programs. Professionals, such as paralegals, can be recruited to work with their home communities. Placing them in their own communities can bridge the gap between the formal law, GIRoA, and traditional justice mechanisms. Nangarhar comprises a multitude of varying ethnicities, norms, and customs. Professionals with this nuanced knowledge can more properly assist in investigations and communication between systems. Due to their familiarity with the local communities, informal systems, and local power dynamics, these recruits can incentivize the formal system. Sierra Leone serves as an example of these programs. These professionals can overlap and engage both justice systems.
  - Continuing training of tribal elders, legal professionals, and police forces. At times, jirgas can violate the provisions of the law. Cases need careful investigation and national laws need to be enforced. Without proper training, voids in the justice system can persist and potentially be filled by Taliban or other malign actors.

- More transparency, through:
  - Facilitating government or NGO oversight boards providing constant supervision and monitoring of legal professionals from the recruitment program. Reforms should only rely on Afghan and international NGOs with proven track records as a basis for a long-term strategy of local capacity building.
  - Developing an improved strategy for baseline data collection. Lack of sufficient and adequate data on Nangarhar’s rule of law (e.g., number of disputes, types of disputes, dispute data disaggregated by district, etc.) prohibits understanding of current context and defining of objectives. For regular evaluations, assessments, and performance indicators of the justice system, more data is needed. This data, once obtained, can be publicly disseminated.
  - Expanding merit-based pay reform, especially for judges. It is essential to

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93 Ibid.
incorporate incentive structures to drive and support sustainable reform.  

- Engaging in greater outreach by both systems to the Afghan media. NGOs and Afghan media networks, such as TOLO, can work with the Ministry of Justice’s Department of Publications or the Attorney General’s Office through a public-private partnership to help disseminate information on both justices systems, publicize cases, create legal awareness, and encourage citizen participation (this concept links back to Section 5.2’s Public Financial Management media watchdog recommendation).

- The Ministry of Justice is often delayed distributing the Official Gazette. More Dari and Pashto translators can help avoid delays and ensure proper distribution.

- Investment in legal education for youth as a long-term strategy. Education programs are needed to create a new generation of lawyers, judges, and professionals. To ensure absorptive capacity for this, investment in basic education is recommended.

This Afghan-centric rule of law reform can help establish a better-functioning justice system, well-trained officials and tribal elders, improved recordkeeping, a more educated population, and eventually, more legitimacy for GIRoA.

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5.4 Economic Growth & Development

According to the World Bank, development is not merely about increasing the wealth of a country, but how resources are distributed and whether or not they have a positive impact on the lives of the larger population. The team has chosen to highlight three subject areas to support economic development in Nangarhar: agriculture, electrification, and higher education. The team has focused on agriculture because it impacts the livelihood of 75% of the population, creates employment opportunities, and promotes sustainable economic growth. Bringing more electricity to the province not only helps alleviate one of the main grievances of citizens of the province, but will enable a number of reforms. It also improves the operating environment for the private sector, making the province a more attractive destination for foreign and domestic investment. The benefits of a more highly education population of Nangarhar will be reaped widely throughout the government and private sector to help grow the economy in the long-term.

5.4.1 Agriculture

Background

Afghanistan experienced unprecedented economic growth at an average annual rate of 9% as a result of large military and donor spending beginning in 2002. Over the past decade, the country’s increased economic activity was mainly driven by capital investments in reconstruction activities, security assistance, large aid flows, and occasional spikes in agriculture production. The longer-term projections for the country’s economic growth, however, are less positive. Given the ongoing reduction of international troops and aid resources, Afghanistan’s annual Gross Domestic Product (GDP) growth rate is estimated to drop to 4% or 5%.

Establishing a thriving and self-sustaining economy is critical to Afghanistan’s long-term stability, security, and development. Despite the country’s exceptional economic growth during the past decade, Afghanistan remains one of the world’s poorest countries. Major sources of volatility in the country’s real GDP growth are often weather-related conditions which impact agricultural production (see Figure 2 in Appendix). Studies have found a direct correlation between domestic wheat production and GDP growth, highlighting the significance of agricultural productivity to the country’s long-term growth (see Figure 3 in Appendix).

Furthermore, considering that agriculture is the main source of livelihood and subsistence for over 75% of the Afghan population, stability in this sector is particularly important. Assisting Afghanistan to achieve sustainable economic growth through improvements in its agriculture sector should be a top priority for donors and foreign governments interested in helping Afghans realize a more stable and prosperous future.

Successes

The growth of Afghanistan’s agriculture sector has been a critical aspect of the U.S. government’s (USG) stabilization strategy throughout the country. Between 2002 and 2012, the

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98 Ibid.
USG sponsored numerous agriculture development activities aimed at building capacity of the Ministry of Agriculture, Irrigation, and Livestock (MAIL), increasing farmers’ access to markets and providing alternatives to poppy cultivation. These activities represent an investment portfolio of $1.9 billion for USAID alone, according to a January 2013 report by the Special Inspector General of Afghanistan Reconstruction.¹⁰⁶

Over the past five years, USAID programs have helped Afghanistan double its non-illicit agricultural output.¹⁰¹ Among USAID’s emerging success stories are growing Afghan exports of high-quality pomegranate juice to Europe and Dubai and raisins to Britain.¹⁰² Agriculture experts from the U.S. Department of Agriculture (USDA) have also carried out various projects aimed at helping Afghanistan reconstruct the physical and institutional infrastructure of its agricultural sector.¹⁰³ USDA has about 110 personnel in Afghanistan on long-term and priority projects in addition to at least 25 agriculture experts from USAID and nine Agribusiness Development Teams (ADT) deployed by the National Guard from several states.¹⁰⁴ Their efforts include providing funds to buy seeds and agricultural equipment; encouraging agri-business; improving the development and marketing of Afghan goods; and helping Afghan farmers with water management, soil enhancement, and crop cultivation.¹⁰⁵

In Nangarhar specifically over the past decade, USAID has focused on enabling farmers to transition from subsistence to market-oriented farming through the provision of seeds and fertilizers, livestock development, training, and improvement of irrigation and market infrastructure. USAID has also implemented a wide range of activities including: providing affordable inputs to promote pest management and the cultivation of wheat, soybeans, and other staple crops; delivering daily reports on market prices to farmers using an electronic intelligence system; broadcasting radio programs on modern management techniques; supporting women-owned fish farms and dairy cooperatives; establishing a vegetable packing facility and refrigeration services; developing the poultry value-chain; rehabilitating irrigation systems and roads; and providing classroom and on-farm training for MAIL staff as well as students and faculty members of Nangarhar University.¹⁰⁶

Nangarhar is rich with natural resources. With more than 90,000 acres of arable soil, Nangarhar is called the breadbasket of Afghanistan because most of the crops produced here are consumed in different parts of the country. The good climate in this province provides suitable environmental conditions for growing various crops during different seasons. With assistance from foreign donors and NGOs, improved seeds and fertilizer have become more easily available

¹⁰¹ Ibid
¹⁰² Ibid
¹⁰⁵ Ibid
to farmers and the mechanization of agriculture is also on rise.\textsuperscript{107} As a result, the province now provides significant amounts of grains, fruits, and vegetables.\textsuperscript{108} In the past decade, farmers in Nangarhar have increasingly diversified their crops by growing fruits and vegetables such as grapes, olives, oranges, watermelons, okras, tomatoes, and spinach.\textsuperscript{109} In 2010, most of the vegetables and crops grown in Nangarhar were supplied to Kabul and other parts of Afghanistan, while the remaining sold locally or at a large market in Jalalabad.\textsuperscript{110}

Different organizations have been working to rehabilitate Nangarhar’s extensive irrigation system, most of which was destroyed during the war. The traditional Mirab (water master) system remains very strong in the province: a Mirab exists in almost every large village to regulate water distribution and repair the irrigation structures.\textsuperscript{111} Additionally, the Emergency Irrigation Rehabilitation Project, funded by World Bank, has its regional office in Jalalabad and works on small and medium projects of intake repair, protection walls, and cross-drainage structures.\textsuperscript{112} The Department of Irrigation and Water Resources, which has its central office in Jalalabad as well as offices in seven other districts, is coordinating with Development Alternatives, Inc., the Global Aquaculture Alliance, and the PRT to work on irrigation in the province.\textsuperscript{113} These efforts are targeted at improving the agricultural sector with the goal of raising the productivity of the rural economy, growing wages, and gradually eliminating the worst dimensions of absolute poverty in Nangarhar.

\textit{Gaps}

As part of the Afghan National Development Strategy (ANDS), GIRoA identified agriculture as a primary enabler of rural poverty reduction and a driver of economic growth for the entire country. Despite over 75\% of the population’s participation in agriculture, the sector currently contributes only 20\% of the country’s GDP.\textsuperscript{114} Decades of conflict have devastated the country’s land and infrastructure, leaving food production at a level below its full potential. The current state of Afghanistan’s agriculture sector is characterized by a “lack of food security, an absence of financial support for farm and non-farm sectors, dependency on poppy cultivation for opium exports, lack of proper irrigation, and severe damage to infrastructure and institutions.”\textsuperscript{115} Moreover, despite billions of dollars spent on agriculture development activities, “the agriculture sector produces insufficient, highly variable amounts of the nation’s primary staple crop, wheat. Malnourishment is a further concern – additional fruit and vegetable consumption is needed as

\begin{footnotes}
\item[110] Ibid.
\item[111] Ibid.
\item[112] Ibid.
\item[113] Ibid.
\end{footnotes}
Afghans consume roughly a quarter of the [World Health Organization] minimum guideline, which is on average met in other developing Asian countries.”

In Nangarhar specifically, the recovery from war has been slow and sporadic. Restoration of this sector has been further delayed by the reoccurrence of extreme weather events, such as floods, which have “also damaged irrigation infrastructure, agriculture land, and resulted in loss of livestock and human life.” Additionally, most Nangarharis living outside of Jalalabad still rely on agriculture for their livelihood. Farmers in the province are broken into three categories: commercial farmers who are able to sell crops for export (less than once percent of all farmers in Nangarhar); surplus farmers who farm for both subsistence and sell part of their crops locally (33% of farmers); and subsistence farmers who farm mostly to feed their families (67% of farmers).

Considering the likely increases in uncertainty during the transition period, USAID has recognized the need to rethink its financing strategy and areas of focus. “In light of multiple pressing agricultural priorities, the predicted declining USG budget scenario, and pending full transition to GIRoA in 2014, the USG engaged Dalberg [a consulting firm] to (i) review current USG agricultural development activities, and, (ii) develop a strategic framework to rationalize investments for optimal impact.” The Dalberg 2011 report recommends an approach that is geographically-focused and prioritizes investments in wheat production and two high-value crops: raisins and almonds. Dalberg recommends that USAID narrow its objectives in agriculture to food security and accelerated job creation. The emphasis on wheat is based on the fact that wheat accounts for half of the population’s caloric intake on average. Additionally, great potential for increasing wheat production remains throughout the country because large areas are still planted with traditional, low-yielding seeds. The Dalberg report also recommends future agriculture investments focus on “critical points across the value chain: watersheds and irrigation, inputs, agronomic extension, capacity-building for the public and private sectors, and storage” to address food insecurity effectively and enhance agriculture-based sustainable livelihoods.

Dalberg recommends efforts concentrated in 13 priority provinces, which do not include Nangarhar (see Figure 4 in Appendix). However, given Nangarhar’s strategic location and unmet potential for rural and urban development, the decision to exclude it from USG agriculture assistance should be reconsidered.

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120 Ibid


122 Ibid

Lastly, most U.S. aid to Afghanistan is “off-budget,” meaning it is not channeled through the Afghan government. “This [off-budget] approach can weaken the ability of the Afghan state to control resources, which can fuel corruption and has led to the creation of thousands of donor-driven projects without any plan for sustaining them.” Under the Tokyo Framework, the United States committed directing up to 50% of its aid through the Afghan government by fiscal year 2012, but this has yet to be realized due to USG concerns about accountability of development funds.

Recommendations

Over the course of the next year, the Client should launch an evaluation of prior and ongoing agriculture stabilization projects in Nangarhar to find out which programs have been most effective in enhancing productivity and are sustainable. Up-to-date data and information on Nangarhar’s agriculture is very limited. A comprehensive evaluation of past and current programing can help the Client assess its impact and strengthen its focus on sustainability for medium and long-term agriculture programs by reallocating funds as necessary. This idea follows a simple rule: “Donors should not implement projects if Afghans cannot sustain them.” In the meantime, the Client should continue capacity-building efforts within the Ministry of Agriculture, Irrigation, and Livestock (MAIL) and its district offices in Nangarhar (DAIL).

Second, the team recommends supporting MAIL and DAIL to increase Nangarhar’s crop yields as well as its food manufacturing capacity. This support would enhance food security, generate farm and off-farm jobs, and elevate the 67% of Nangarhar’s farmers from the subsistence to the surplus or commercial levels. In line with the Dalberg recommendations, the Client should narrow its scope of focus in Nangarhar to wheat and a small set of high-value crops native to Nangarhar (the province is famous for its oranges and watermelons). In light of the transition, we recommend that future agriculture projects be implemented on-budget to ensure that future development projects are Afghan-led. The following are suggestions for how the Client can meet this proposed objective:

- Introducing better-yielding and disease-resistant varieties for wheat and select high-premium produce. The team recommends the Client provide on-budget funding for the purchase and distribution of improved seeds by GIRoA. The Client can circumvent USG concerns regarding accountability by dispersing the funds directly to a local implementing NGO that is approved by and works under the guidance of the DAIL. This would allow the DAIL to maintain regulatory authority over how agriculture services are provided while avoiding the common delays of budget allocation from Kabul.

- Training DAIL staff on how to build low-maintenance cool storage facilities for perishable products like potatoes and onions which fetch low prices during the peak harvest.

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125 Ibid
• Training DAIL staff to conduct farmer education campaigns to promote safe agricultural practices, sustainable water use, advanced pest-control methods, crop rotation, and soil rehabilitation.
• Providing technical expertise to the business community to encourage greater investment in processing facilities to turn surplus produce into more valuable food products such as flour, jam, pickles and juice.
• Supporting MAIL to increase financial services for farmers (micro-credit), invest in post-harvest technology, and improve irrigation systems.
• Linking regional markets with provincial markets. While trade with Pakistan is already well-developed, Afghanistan can expand trade of its packaged and manufactured goods with the Middle East, India, and other Central Asian countries. The Client can offer its support in the role of a liaison by helping to connect Afghan farmers and investors with regional markets where they can sell surplus produce and manufactured goods.

Lastly, the long-term objective is to industrialize Nangarhar’s agriculture sector in an effort to assist Afghanistan’s transition to a more modernized economy. In the post-2014 timeframe, once Jalalabad has a stable and competitively-priced supply of electricity, MAIL can gradually phase out some of its support services. Through the Assistance in Building Afghanistan by Developing Enterprises (ABADE) program, the team recommends that USAID promote private sector investment in food manufacturing as a mechanism for sustained economic growth, job creation, and greater commercialization of this sector. ABADE, which commenced in October 2012, is a four-year project “designed to complement other USAID programs that are focused on improving the business enabling environment, increasing the workforce, and facilitating access to finance.”127 The project’s main objectives are to increase domestic and foreign investment, stimulate employment and improve sales of Afghan products.128 The team recommends USAID expand ABADE’s focus from other provinces to include Nangarhar so ABADE can serve as a mechanism for technical assistance and business advisory services to small and medium enterprises interested in agriculture. Through ABADE, USAID can also work to improve the business climate for agriculture investors by addressing specific regulatory and procedural barriers that would negatively affect their competitiveness in this sector.129

5.4.2 Electricity

Afghanistan is in the bottom tenth of the world in electricity consumption per capita130 and imports 80% of its collective supply from Iran, Tajikistan, Turkmenistan, and Uzbekistan.131 Governor Sherzai and local Afghans (as measured by Client-supplied perception data) have identified Jalalabad’s poor electrical grid and unemployment as pressing economic concerns for Nangarhar. While the U.S. has prioritized electrification in its overall strategy in Afghanistan, it has struggled to improve on the failing power infrastructure left behind by the Soviet Union. By contrast, the Taliban was able to restore reliable power in Kandahar in just eight months after

128 ABADE Fact Sheet 2013. USAID.
129 Ibid
131 BBC Monitoring South Asia. “Afghanistan to get money from Asian bank for electricity.” March 18th, 2013
taking control in 1994.\(^{132}\) While attacks and unrest in Nangarhar persist, the province is transitioning from instability into an area where development efforts can take root. The increased supply of reliable and affordable electricity to Nangarhar can lead to job creation and increased legitimacy of the Afghan central government by fulfilling citizens’ expectations of their government. The following ongoing projects should remain concurrent Department of State and USAID priorities to ensure more reliable and cost-efficient sources of electricity for Nangarhar.

**Electrification of the Hisar-E-Shahi Industrial Park**

In an April 2013 interview on Afghan Sharq TV news, Wahidollah Iftekhar, head of the Afghanistan Investment Support Agency (AISA), identified the lack of industrial parks in Afghanistan as a major challenge to attracting investment in the country.\(^ {133}\) This underscores the important connection between electricity and jobs and livelihoods. The Hisar-E-Shahi Industrial Park (HIP), located in Nangarhar, can help Afghanistan overcome this. The World Bank, the chief financier of the HIP project, officially withdrew its support on June 30, 2011, and cited unreliable grid power supply to the park as one main reason for its closure.\(^ {134}\) The World Bank’s report on the HIP’s closure stated that the division of responsibilities of industrial park oversight within Afghanistan was unclear: Afghanistan’s Ministry of Commerce and Industries (MoCI) houses an Industrial Park Section with over 200 employees, but how MoCI interacts with AISA, which is also charged with overseeing industrial parks, is not discernible.

While a feasibility analysis of linking the HIP to Jalalabad by direct transmission line is currently underway, the team recommends the Client undertake a more expedient feasibility study on improved and expanded grid infrastructure in Nangarhar. This grid infrastructure would include not only the $21 million extension line linking the HIP to Jalalabad but would go beyond it to provide electricity to other areas of the province. The feasibility analysis could consider whether the expanded electrification project of supplying power to the park may yield higher economic returns. An expanded grid project that prioritizes power supply to the HIP, but that will also allow for the supply reliable power to a wider surrounding area, will be more attractive to private consortiums, foster a more robust bidding process, and result in a lower price of energy per kilowatt-hour (kWh) within Nangarhar.

The team recommends that this project be contracted in a design, build, finance, operate, maintain, and transfer public-private partnership (PPP) model that includes Da Afghanistan Breshna Sherkat (DABS), the national utility. As PPPs are designed so that each specific risk is borne by the partner most capable of handling that risk, another role for the U.S. government in bolstering grid capabilities in Nangarhar and in the Northeastern Power System could be to support Afghanistan in contracting repair teams and to provide project-specific training to Afghan security personnel. U.S. government efforts can result in lower construction and operation costs for the private sector and prevent and mitigate significant delays.

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The Central Asia-South Asia Regional Electricity and Trade Project (CASA 1000)

The Central Asia-South Asia Regional Electricity Market (CASAREM/CASA 1000), still in concept stage, proposes to install an electricity transmission line that would allow excess electricity produced in Kyrgyzstan and Tajikistan to be supplied to Afghanistan and Pakistan. In April, the Tajik Ministry of Energy and Industry reported that it is prepared to export 1.9 billion kWh of its 6 billion kWh electricity surplus to Afghanistan in 2013. The Tajiks are unable to supply the full surplus as neighboring Uzbekistan routinely attacks the region’s transmission lines. The total length of the proposed line is 750km, of which 562km will be within Afghanistan, and has an estimated total cost of $950 million. The recommended option made in a final update of a World Bank-sponsored feasibility report of the project allows the line, which would run through Kabul, to provide power to Jalalabad and to neighboring communities. The feasibility report confirmed that both Kyrgyzstan and Tajikistan have summertime (May-September) surpluses of electricity, validated the growing demand in both Afghanistan and Pakistan, and concluded that the differences in costs throughout the region justify the investment in the electricity transmission trade. There are intangible benefits as well: successful cooperation in the power trade in the region can provide the experience and the framework necessary to cooperate in other areas, such as transportation.

The World Bank, Asian Development Bank, and Islamic Development Bank have memorandums of understanding with GIRoA and is each partially financing the project, which will connect four Muslim countries in an unstable region. While the project will enhance regional cooperation, there are market, completion, legal, and operational risks that could lead to delays, cost overruns, and abandonment of CASAREM. Supplying power to communities along the route, however, will allow the surrounding populations to become stakeholders, and can mitigate localized security risks.

The team recommends that the Client support the successful regional trade of energy by hosting an annual regional energy trade event that embodies similar principles of the Tokyo Mutual Accountability Framework: regional cooperation facilitates the integration of regional economies, and the efficiency and sustainability of international assistance is maximized when such assistance is aligned with the partner country’s national priorities. At this annual event, specific efforts can be made to promote regional electricity trade, and to plan for and facilitate the successful completion of an operational international transmission line, and ultimately a more reliable and cheap source of power to Nangarhar. Such efforts may include:

- Encouraging donors to contribute to the reserve fund to support the CASA-1000 project.
• Arranging for the reserve fund to be able to compensate for lost operator revenues in the first year of transmission line operation.
• Supporting GI Ro A in its engagement with development banks.
• Mitigating security risks through facilitating negotiations between Uzbekistan and Afghanistan on issues pertaining to a separate transmission line running from southern Uzbekistan to Kabul, and encouraging the installation of earth-filled barriers—such as HESCO bastions—to run along critical infrastructure and construction sites, and training ANA forces on the protection of critical infrastructure.

Rehabilitation of Darunta Dam
Darunta Dam, a Soviet-built facility, sits 7km west of Jalalabad and its rehabilitation has had USAID’s on-and-off support. The aging facility, which is the main (and cheapest) source of power for Jalalabad, has suboptimal output due to severe silt and drainage issues and requires that all three of its turbines be replaced in order to reach its original output of 40-50MW.\(^ {139}\) Whereas USAID used custom-made parts to replace one of the turbines at cost of $7.5 million, Afghan engineers at Darunta have claimed to have completed similar projects for less than $7,000.\(^ {140}\) Rehabilitation under the direction of USAID was suspended in March 2013 after Governor Sherzai failed to meet his pledge to cover 10% of rehabilitation costs for the last six months.\(^ {141}\)

The team recommends that the U.S. government work directly with the Afghan Ministry of Water and Energy on high-priority infrastructure, as successful work on improving hydroelectric capacity and water regulation is key to realizing Afghanistan’s agricultural and economic potential.

Remaining funds of what was previously appropriated by the U.S. government for the dam’s rehabilitation ($10 million) should be transferred to the Asian Development Bank’s Afghanistan Infrastructure Trust Fund, which prioritizes power and irrigation projects in Afghanistan. This fund has had success on a multitude of projects in Afghanistan and provides a mechanism for on-budget financing.

Should efforts at Darunta Dam ultimately go unfunded by USAID directly, both USAID and the Army Corps of Engineers should continue to provide technical support to the Afghan Secretariat of the Supreme Council on Water Management. ANHAM, a company contracted by USAID to refurbish the dam’s three turbines, has been contracted to provide operations and maintenance training for Afghan engineers at the facility. This support should continue so local personnel would be equipped to maintain and operate the turbine already refurbished by the USG. This would contribute to local ownership and long-term sustainability of the project.

\(^ {141}\) BBC Monitoring South Asia. “Programme Summary of Afghan Channel One TV (1TV) news in Dari 1330 gmt 3 Mar 13.” March 3, 2013
5.4.3 Education

**Background**

Decades of conflict have had a deep impact on the education system in Afghanistan, leaving it unable to maximize its human and social capital. Since 2001, donors have focused on empowering Afghan nationals to take over from the international community the process of building a strong and self-reliant country. Higher education in post-conflict situations is crucial for reconstruction, long-term socio-economic development, and peace building. While education is not a panacea for Afghanistan, education, especially higher education, is a step towards nation-building and ensuring that Afghanistan is less fragile and does not return to conflict. Lack of human capacity across public and private sectors is cited as a factor that inhibits proper functioning of the Afghan economy. Higher education will help individuals fill the market demand for labor especially in these sectors. Improving the quality and access to tertiary/higher education is one of the eight pillars of the ANDS, which makes strong linkages between education, poverty reduction, and economic growth.

**Successes**

Education has been identified as a priority sector and relevant policies have been enacted for its improvement and according to the World Bank, significant progress has been made.\(^{142}\) Afghans have rated the government’s performance in the education sector favorably.\(^ {143}\) International donors and the government have built more than 4,000 schools in the country since 2002.\(^ {144}\) School enrollment has increased from one million children in 2001 to eight million in 2012. The number of female teachers has increased by 50% and new curricula have been introduced in secondary schools. The number of tertiary education institutions has increased from 17 in 2001 to 69 in 2012.\(^ {145}\) Out of these 69 universities, 26 are public and 43 are private.\(^ {146}\)

The World Bank’s Strengthening Higher Education Program (SHEP) has been assisting GIRoA to build an educated and well-trained human capital base to meet the needs of reconstruction, growth, and poverty reduction in Afghanistan. GIRoA is looking to set new quality standards for the education system, mainly in the areas of staff, curriculum, and physical infrastructure development.\(^ {147}\) The SHEP is the largest integrated intervention in the area of public higher education in Afghanistan. The program is financed through the Afghanistan Reconstruction Trust Fund, of which USAID is a major partner. The program is in its final year of implementation and GIRoA has requested that the World Bank continue its support for higher education. The Bank has indicated that future assistance will be considered based on the progress of the current program, which the Bank rates as moderately satisfactory.\(^ {148}\) There are concerns

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\(^{144}\) Ibid.

\(^{145}\) Ibid.


\(^{148}\) Ibid.
about the backlog of activities, undisbursed funds, and considerable work remaining to achieve the project objectives.

**Gaps**

Sustaining education reforms in Afghanistan will be challenging when international resources are reduced. A concern expressed in the ANDS is the fact that the country and its provinces, as aid recipients, may not have the funds necessary to maintain the infrastructure and development funded by donors. It is estimated that by 2014, the number of high school graduates will increase to 600,000 and accommodating a large proportion of them in the existing higher education institutions will be challenging. In 2012, the total admission of new students in public universities was 77,654 while private universities admitted 34,713 students. This leaves over 450,000 students without the option of attending institutions of higher education. Compounding this problem of access are: outdated curricula; under-qualified faculty; under-resourced classrooms, laboratories, and libraries; and inadequate information technology characterize higher education in Afghanistan. In addition, most private universities function below international standards. While the Ministry of Higher Education provides a framework governing these universities, little has been done to ensure they operate at a high standard.

**Recommendations**

Investment in technical and vocational education and training programs has been excluded from the scope of this proposal because of the need to improve the skill level of the labor force in the long-run. This recommendation is geared towards developing a pool of highly educated and able professionals to assume control of state institutions and businesses.

Nangarhar University is the second-largest and one of the most renowned universities in the country. It is one of the 12 universities covered by SHEP and has also received assistance from USAID. The team recommends that the Client continue to partner with the World Bank in its SHEP program and encourage its continuation. The SHEP program is the first and largest integrated approach toward the higher education agenda in Afghanistan, and collaborating in the program would reduce redundancies in donor investment in the sector. Moreover, all support extended under the Afghanistan Reconstruction Trust Fund is administered by the World Bank and is on-budget, directed through the Ministry of Finance. This mode of aid delivery places ownership the development project on the Afghan government, which enhances its legitimacy.

In the event that the World Bank decides to discontinue the SHEP program, the team recommends that the Client, in the next year, assist Nangarhar University to formulate a plan to sustain the gains made over the past decade. This will enable the university to reevaluate its needs and priorities based on its five-year strategic plan (2011-2015). Additionally, the team recommends that the Client encourage the Ministry of Higher Education to conduct an evaluation of private universities in Nangarhar to explore opportunities for collaboration between public and private universities and strengthen the quality of education in private institutions. This evaluation process can also be implemented nationwide.

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6. **Future Monitoring and Evaluation Techniques**

Just as upcoming governance and development programming in Afghanistan should be designed with reduced U.S. civilian and military presence and funding in mind, M&E procedures must also take this into consideration. Fewer site visits by U.S. officials should not result in a decline in the collection of essential data needed to steer projects.

In addition to the drawdown, drone strikes have also complicated the monitoring and evaluation efforts of aid workers in the field. Foreign aid workers and local volunteers tasked with assessing development programming in precarious security environments are viewed with increasing suspicion by local communities within Afghanistan.\(^{152}\) Using maps in the field, wearing watches that could be mistaken for global positioning system devices, and conducting surveys are past practices that are now dangerous.

As the drawdown progresses, M&E design must allow for remote analysis by the U.S. government and include an increased role for Afghan civilians and government officials. Innovative M&E techniques, including the use of satellite imagery; smartphone images taken by third-party monitors that enable geo-tagging; and crowd-sourced and online collaboration tools like USAID’s Measuring the Impact of Stabilization Initiatives Portal (MISTI), will work collectively to map progress toward stability and allow for effective programming analysis despite reduced USAID presence.

Information provided by other international aid actors, such as NGOs and international organizations ranging from the World Bank to UN agencies, could be integrated to provide a full picture. Considering that M&E is an integral part of each NPP, the donor community should align indicators for its development activities with those identified in the NPPs. These actors will face similar challenges to their own M&E efforts and the expertise and data generated as part of the NPPs should be accessed to improve U.S. M&E.

Increased cooperation with Afghan actors and coordination with local accountability mechanisms is recommended to strengthen the performance of existing M&E strategies. USAID M&E workshops with GIRoA officials conducted during previous USAID projects have disseminated good practices in evaluation design and methods and have provided guidance on data availability, sources, quality, collection, and analysis.\(^{153}\)

The team recommends that baseline studies for future projects use the most recent indicator data available to assess the future impact of projects properly. Household surveys conducted by NGOs and Afghan nationals should be carried out prior to project implementation.

While not project-specific, there are also methods to assess the overall impact of collective aid efforts. One such metric that can provide insight on the extent to which support for the Afghan government has increased comes from the Afghan Non-Governmental Organization Security Office (ANSO). The ANSO collects data on security incidents against NGOs.

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attributable to anti-government forces and criminals. According to the ANSO’s most recent quarterly report, improvised explosive device attacks against NGOs in Nangarhar were categorized as “very high,” with five or more attacks a week.\textsuperscript{154} Another source that can be used to monitor attitudes toward reconstruction, security, and governance reforms are polls carried out by the Afghan Center for Socio-Economic and Opinion Research. These polls are sponsored by ABC News, the BBC, ARD German TV, and The Washington Post and can supplement perception data collected by USAID. Finally, statistical research methods that employ repeated cross-sectional surveys can be used to consider fluctuations in levels of satisfaction with the Afghan government.\textsuperscript{155}


7. **Conclusion**

These recommendations are intended to give practitioners a menu of options for ongoing development efforts as all U.S. agencies in Afghanistan are forced to consolidate their programming. These recommendations represent the team’s assessment of the most sectors to consider during this consolidation and drawdown. In some sectors, the team recommends changes in the direction of programming and in others the team encourages the U.S. government to follow its current trajectory. Yet all recommendations aim at enhancing and empowering Afghan institutions and citizens to maintain the gains that have been made over the past decade and to build on these efforts in the long run. The team hopes that these recommendations play a role in helping Afghanistan overcome the struggles of the past, and in providing Afghanistan’s next generation a more stable and peaceful environment.
APPENDIX

8.1 Charts, Tables, and Graphs

Figure 1: Sources of Instability in Nangarhar Province

Question: What do you think are the three biggest problems facing your district? _ First Response

Note: The following problems were included in the category “other”: agricultural development; sanitation; standard of living; bad government; pollution; justice; no land; flooding; refugee integration; crime; low income; no economic development; ethnic relations; handicraft/business development; no government control; no donations; no public service.

Source: USAID perception data
Figure 2: GDP Growth – Volatility in Agriculture

Source: World Bank and International Monetary Fund

Figure 3: Volatility in Wheat Production Due to Weather-Related Conditions

Source: The Brookings Institution
Figure 4: Wheat Productivity in Afghanistan by Province

Source: Dalberg
8.2.1 Logical Framework for Public Financial Management

The goal of improved PFM in Afghanistan requires defined inputs for desired outcomes and eventual overall impact.

Inputs: trainings; involvement of media; involvement of NGOs; regular meetings between municipal government of Jalalabad, media and NGOs.

Outputs: more informed citizens; more revenue collection; more transparency in the delivery of services; more transparency in the municipal budget-related process.

Outcomes: Empowered citizens in Jalalabad.

Impact: More transparent and self-reliant government.

Participation Analysis

<table>
<thead>
<tr>
<th>Formal Actors</th>
<th>Informal Actors</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>• GIRoA officials on the national and provincial levels</td>
<td>• Media</td>
<td>• Nangarhar citizens</td>
</tr>
<tr>
<td>• Parliament</td>
<td>• NGOs</td>
<td>• International actors</td>
</tr>
</tbody>
</table>

Problem Analysis: International assistance has resulted in the distortion of the overall public financial management system due to the prolonged efforts of the international community; and a risk of dependency on an informal political economy that has been delivering some public services outside the formal system.

Objectives Analysis: Citizens’ awareness will increase the demand for government transparency and foster taxpayers’ obligations.

Alternatives Analysis: As opposed to focusing on national-level reforms, the team chose to focus on municipal-level reforms, where there has been less attention.

Main Project Elements

- Goal: To increase Jalalabad citizens’ awareness.
- Purpose: To build popular demand for services and government transparency, and revenue collection.
- Outputs: created partnerships between NGOs and media groups; implemented the Open Budget Index in Jalalabad; reexamined RAMP-UP objectives; included recurring expenditures related to delivery of public services in the 2014 Jalalabad budget; implemented a bonus program for tax collectors.
- Outcomes: Increased tax collection.
- Activities: Facilitated the partnership of NGOs and media groups; advised Integrity Watch Afghanistan (IWA) to implement the Open Budget Index in Jalalabad;
reexamined current USAID’s development programs focusing on municipal budget design and management.

- Inputs: Public affairs expertise; facilitators for necessary agreements.

**Assumptions:**
In order for the projects to succeed, the following conditions must be assumed:

- Support from the mayor to implement the Open Budget Index in Jalalabad.
- Support from the mayor to train part of his staff in public affairs.
- Willingness of media to launch campaign.
- Willingness of NGOs to work with media groups.

**Indicators:**
- Tax revenues collected (both total revenue and number of households and businesses paying taxes)
- Number of media stories covering the results of the Open Budget Index in Jalalabad.
- Number of media stories covering the reports of selected NGOs.
8.2.2 Logical Framework for Rule of Law

The goal of improved rule of law in Afghanistan requires defined inputs for desired outcomes and eventual overall impact.

*Inputs:* Funding, Afghan experts to lead trainings/education, trainings, investment in education, involvement of media, regular meetings between formal and informal systems. These inputs will lead to specified outputs.

*Outputs:* Educated citizens, well-trained government officials and tribal elders, clearly defined roles within the justice system, improved recordkeeping, and protection of human rights (particularly for women).

Finally, these outputs will coalesce to bring about the overarching goals of the project.

*Outcomes:* Better functioning and better-documented dispute resolution.

*Impact:* More effective and functioning rule of law, which legitimizes the state.

**Participation Analysis**

<table>
<thead>
<tr>
<th>Formal Actors</th>
<th>Informal Actors</th>
<th>Others</th>
</tr>
</thead>
</table>
| • GIRoA officials on the national, provincial, and district levels  
• Huquqs  
• Judicial/police/prison officials | • Tribal elders  
• Taliban/insurgents | • Media  
• Male and Female citizens |

Effective rule of law equally enforces all laws, holds no individual or institution above the law, and promotes basic human rights for both male and female citizens. Historically, justice has been implemented by the informal system. Typically there is no representation of women in this system. In recent history, GIRoA has instituted an official justice system which lacks legitimacy.

The fissure between the informal and formal systems is a cultural challenge in Afghanistan. Both systems have their strengths. However, neither system holds a monopoly on justice, and both benefit from the other’s existence. Both groups must be given priority for developing effective rule of law.

*Problem Analysis*

Ineffective rule of law stems from corruption, lack of education and training, gender inequality, inaccessibility, lack of documentation, lack of budget oversight, and lack of public awareness and media outlets. These causes of ineffective rule of law contribute to several effects, including inefficiency and illegitimacy of the state, human rights abuses, persisting land disputes, violence, and possible Taliban resurgence.
**Objectives Analysis**
Effective rule of law promotes peace and security, strengthens Afghan institutions, and enhances counterterrorism and counterinsurgency efforts.

**Alternatives Analysis**
There are three options to develop a more effective rule of law. Funds and efforts can be concentrated on either strengthening the informal system, strengthening the formal system, or strengthening connection between the two. The last option is the most viable and realistic.

**Main Project Elements**
- **Goal**: Effective and functioning rule of law
- **Purpose**: To promote peace and security, strengthen Afghan institutions, and bolster counterterrorism and counterinsurgency efforts
- **Outputs**: Better functioning system for dispute resolution, educated and well-trained government officials and tribal elders, improved recordkeeping, and protection of human rights
- **Activities**: Trainings, investment in education, involvement of media, regular meetings between formal and informal systems
- **Inputs**: Funding, Afghan experts to lead trainings/education/organization

**Assumptions**
In order for the project to succeed, the following conditions must be assumed:
- Free and fair elections
- Retention of trained former local staff of international development contractors
8.2.3 Logical Framework for Agriculture

The goal of economic growth in Afghanistan requires defined inputs for desired outcomes and eventual overall impact.

**Inputs**: Narrow scope of agricultural programing, transition to low-cost assistance projects (i.e. focus on food security, staple crops, building cool storage facilities and small irrigation structures, which require minimal resources and maintenance cost); support MAIL/DAIL with funding for provision of agriculture inputs, extension programs, farmer trainings, provide technical support to investors through ABADE, trainings and capacity-building for MAIL and DAIL staff.

These inputs will lead to specified outputs.

**Outputs**: Increased wheat yields for small, medium, and large-scale farming; storage facilities will allow farmers more flexibility in selling prices; more food production facilities; reduced imports of staple foods; increased employment; enhanced livelihood for rural farmers and urban producers, well-trained government officials and farmers.

Finally, these outputs will coalesce to bring about the overarching goals of the project.

**Outcomes**: Increased economic growth and reduced poverty

**Impact**: Higher human development index and economic stability

**Participation Analysis**
For a complete Log Frame Analysis (LFA) of agriculture-driven economic growth in Afghanistan, the actors involved must be identified and categorized.

<table>
<thead>
<tr>
<th>Formal Actors</th>
<th>Informal Actors</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>• MAIL officials on the national, provincial, and district levels</td>
<td>• Subsistence farmers</td>
<td>• Media</td>
</tr>
<tr>
<td>• Farmers</td>
<td>• Rural communities/representatives</td>
<td>• Male and female citizens</td>
</tr>
<tr>
<td>• Commercial producers</td>
<td></td>
<td></td>
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<tr>
<td>• Food Manufactures</td>
<td></td>
<td></td>
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<tr>
<td>• Banks</td>
<td></td>
<td></td>
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<tr>
<td>• Private sector officials</td>
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**Problem Analysis**
Afghanistan’s agricultural capacity and environmental well-being suffered greatly during the past three decades of war. Prior to this period of conflict, Afghanistan was a globally reputable producer of high premium goods such as almonds, pomegranates, pistachios, raisins, and apricots. Lack of education and training of farmers on improved horticultural techniques, inaccessibility to markets, lack of food manufacturing facilities and investment in new technology are among the main barriers to reaching the country’s full agricultural capacity.
Objectives Analysis
A more productive agriculture sector promotes job creation, financial security, political and social stability, strengthens Afghan institutions, and enhances to industrial development and trade balance of the country.

Alternatives Analysis
There are three options to develop a more effective agricultural sector. Funds and efforts can be concentrated on strengthening the yields of subsistence farmers, strengthening the capacity of the private sector to make large investments on food manufacturing facilities, or strengthening connection between the two. The last option is the most viable and realistic.

Main Project Elements
- **Goal**: Sustainable economic growth
- **Purpose**: To promote human development, economic stability, strengthen Afghan institutions, and bolster industrial capacity and employment opportunities
- **Outputs**: improved livelihood and development opportunities, reduced rural poverty, educated and well-trained government officials and farmers, increased employment.
- **Activities**: Increasing farmer access to improved inputs, investment in food manufacturing technology and infrastructure, technical support, trainings, and on and off-farm education.
- **Inputs**: Technical support, increased on-budget funding for trainings/education and provision of services at all level of agriculture sector through MAIL and DAIL.

Assumptions
In order for the project to succeed, the following conditions must be assumed:
- Free and fair elections
- Retention of trained former local staff of international development contractors
- GIRoA’s willingness to increase allocation of resources to development of agriculture

Indicators
To measure to what extent the objectives have been achieved USAID has monitoring and evaluating programs in place implemented by local Afghans.
8.2.4 Logical Framework for Electrification

The goal of improved electrification in Afghanistan requires defined inputs for desired outcomes and eventual overall impact.

Participation Analysis
For a complete Log Frame Analysis (LFA) of electricity-driven economic growth in Afghanistan, the actors involved must be identified and categorized.

<table>
<thead>
<tr>
<th>Formal Actors</th>
<th>Informal Actors</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Da Afghanistan Breshna Sherkat (DABS)</td>
<td>• Communities benefiting from/threatened by grid/transmission lines/dam rehabilitation</td>
<td>• Media</td>
</tr>
<tr>
<td>• Afghanistan Investment Support Agency (AISA)</td>
<td></td>
<td>• Male and female citizens</td>
</tr>
<tr>
<td>• The World Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Asian Development Bank</td>
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<tr>
<td>• Islamic Development Bank</td>
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<tr>
<td>• Private Security Contractors</td>
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<td>• ANHAM</td>
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<tr>
<td>• Private sector officials</td>
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Problem Analysis
Afghanistan’s power infrastructure, due to lack of maintenance, has steadily deteriorated over time. As a result, Afghanistan’s national power grid generates suboptimal and unreliable power. The overall lack of electricity has interfered with economic development and dis-incentivized foreign investment in Afghanistan. Business parks sit without tenants due to lack of power. Afghanistan’s agricultural sector continues to underperform as a lack of electricity prevents sufficient irrigation and keeps processing and storage facilities from adding value. Further, USAID-funded generators were meant to provide a temporary solution to a long-term problem.

Objectives Analysis
A more reliable and cost-efficient supply of energy supports jobs creation, improves productivity, and bolsters the legitimacy of the Afghan government.

Alternatives Analysis
There are a multitude of options and efforts than can lead to increased power supply in Nangarhar. Generators, micro-hydro units, hydroelectric dam rehabilitation, improving existing grid infrastructure, large scale power projects such as the construction of new plants, and the promotion of a regional electricity trade.
Main Project Elements

- **Goal:** Sustainable economic growth
- **Purpose:** To improve livelihoods, promote economic stability, strengthen Afghan institutions, and bolster industrial capacity and employment opportunities in Nangarhar Province.
- **Outputs:** Reduced poverty, improved security, stabilization of development, increased employment, strengthened legitimacy of the government, and improved livelihoods in Nangarhar Province.
- **Activities:** Interagency coordination, facilitation of negotiations, providing operations and maintenance training, encouraging involvement of the international community, creating an atmosphere conducive to greater Afghan participation.
- **Inputs:** Funding for trainings, feasibility studies.
8.2.5 Logical Framework for Education

The goal of improved education in Afghanistan requires defined inputs for desired outcomes and eventual overall impact.

*Inputs:* Through the SHEP, support the Afghan Ministry of Higher Education to increase enrollment rate in the higher education by providing financial and technical assistance to expand the student intake of current universities to consolidate the gains made in primary and secondary education levels.

*Output:* Increase in enrollment rates in higher education and better standards of higher education.

*Outcome:* High human capital base, improvement in standard of living, decrease in unemployment, and more stability.

*Impact:* Higher human development index and sustainable economic development.

**Participation Analysis**

<table>
<thead>
<tr>
<th>Formal Actors</th>
<th>Informal Actors</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOHE officials at the national, provincial and district levels</td>
<td>Youth</td>
<td>Male and female citizens</td>
</tr>
<tr>
<td>Nangarhar University/Jalalabad University/Private Universities</td>
<td>Parents</td>
<td></td>
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<tr>
<td>NGOs</td>
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</table>

*Problem Analysis*

Decades of conflict had severely damaged the education infrastructure in Afghanistan impeding the growth of its human capital, a crucial resource for sustainable economic development of any country. Higher education in Afghanistan is characterized by lack of sufficient educational materials, poor research facilities, inadequate physical infrastructure limiting access, operating below international standards, lack of teachers, and lack of sufficient funds.

*Objective Analysis*

Increasing access to higher education will enable Afghanistan to build its human capital resource and address the severe shortage of skilled manpower at all levels in the Afghan government and private sector, leading to improved governance and a more successful private sector.

*Main Project Elements*

- **Goal:** To build Afghan’s human capital base by increasing access to higher education.
- **Purpose:** To promote human development, long term sustainable economic development/growth, create a supply of skilled manpower for public and private sector employment.
- **Outputs:** Reduced poverty and improved livelihood, educated government and private sector employees, increased employment opportunities and more stability.
- **Activities:** Expand existing physical infrastructure to accommodate more students.
• Inputs: Financial and technical support to Afghan stakeholders.

Assumptions
In order for the project to succeed, the following conditions must be assumed:
• The Afghan government increases allocation of resources to the education sector
• There is political will in Nangarhar to undertake the project
• The graduation rate from higher secondary schools remains high