



SPECIAL REPORT

2301 Constitution Ave., NW • Washington, DC 20037 • 202.457.1700 • fax 202.429.6063

ABOUT THE REPORT

This Special Report examines the challenges the US Agency for International Development (USAID) encountered while working in a war zone, despite generous funding, subject to high expectations for long-term institutional development results and constantly shifting US short-term political and security objectives. Based on field experience in Afghanistan, interviews with key practitioners, and a review of retrospective analyses, the report was drafted while the author was an interagency professional in residence at the United States Institute of Peace (USIP). The report reflects the author's viewpoints and opinions and not those of USAID or USIP.

ABOUT THE AUTHOR

William Hammink is a recently retired career minister in the US Foreign Service and has thirty-six years of experience working with USAID, including as mission director in Afghanistan, India, Sudan, and Ethiopia and assistant to the administrator for Afghanistan and Pakistan.

William Hammink

USAID in Afghanistan Challenges and Successes

Summary

- The demands on USAID in Afghanistan since 2002 have pushed it well outside its traditional boundaries.
- Expectations were high that USAID would provide development to match the major US military effort: delivering enduring development results in a war zone and billions of dollars of assistance in the face of ever-changing priorities and urgency in a country torn apart by decades of civil war.
- Running throughout have been trade-offs, and at times tension between short-term security and political objectives, using quick-response actions and longer-term development efforts needed to strengthen institutions, support economic growth, reconstruct destroyed infrastructure and build a state after decades of civil war.
- Short-term stabilization programs or long-term development programs in areas with active ongoing conflict have had limited enduring impact. Targeted humanitarian assistance has had more impact.
- Clarity is essential for short-term, quick-impact, quick-response programs, especially in regard to related timelines, sustainability issues, risks, the impact of exogenous events on stability, governance and “hearts and minds” programs, and the broader strategic policy requirements to achieve stated US political and security objectives. Keeping expectations reasonable, especially in complex environments, is imperative.
- As much as possible in a war zone situation, proven development principles—such as local systems, sustainability, evidence-based design and implementation, strong monitoring and evaluation, and country ownership—need to be maintained. Requisite analyses up front are essential, as is focus on institutions and local capacity.

© 2017 by the United States Institute of Peace.
All rights reserved.

SPECIAL REPORT 417

DECEMBER 2017

CONTENTS

High Expectations	2
Strengthening Government Institutions	3
Stabilization and Counterinsurgency	4
Security in a War Zone	6
Using Government Systems	7
Staffing Exigencies	9
Oversight and Accountability	11
Recommendations	12

Introduction

Although Syria, Iraq, and the self-proclaimed Islamic State have long dominated the headlines, the United States continues to have a major presence in Afghanistan. For the US Agency for International Development (USAID), Afghanistan remains one of its largest mission worldwide

ABOUT THE INSTITUTE

The United States Institute of Peace is an independent, nonpartisan institution established and funded by Congress. Its goals are to help prevent and resolve violent conflicts, promote postconflict peacebuilding, and increase conflict management tools, capacity, and intellectual capital worldwide. The Institute does this by empowering others with knowledge, skills, and resources, as well as by its direct involvement in conflict zones around the globe.

BOARD OF DIRECTORS

Stephen J. Hadley (Chair), Principal, RiceHadleyGates, LLC, Washington, DC • **George E. Moose** (Vice Chair), Adjunct Professor of Practice, The George Washington University, Washington, DC • **Judy Ansley**, Former Assistant to the President and Deputy National Security Advisor under George W. Bush, Washington, DC • **Eric Edelman**, Hertog Distinguished Practitioner in Residence, Johns Hopkins School of Advanced International Studies, Washington, DC • **Joseph Eldridge**, University Chaplain and Senior Adjunct Professorial Lecturer, School of International Service, American University, Washington, DC • **Kerry Kennedy**, President, Robert F. Kennedy Center for Justice and Human Rights, Washington, DC • **Ikram U. Khan**, President, Quality Care Consultants, LLC, Las Vegas, NV • **Stephen D. Krasner**, Graham H. Stuart Professor of International Relations at Stanford University, Palo Alto, CA • **John A. Lancaster**, Former Executive Director, International Council on Independent Living, Potsdam, NY • **Jeremy A. Rabkin**, Professor of Law, George Mason University, Fairfax, VA • **J. Robinson West**, Chairman, PFC Energy, Washington, DC • **Nancy Zirkin**, Executive Vice President, Leadership Conference on Civil and Human Rights, Washington, DC

MEMBERS EX OFFICIO

Rex Tillerson, Secretary of State • **James Mattis**, Secretary of Defense • **Frederick M. Padilla**, Major General, Marine Corps; President, National Defense University • **Nancy Lindborg**, President, United States Institute of Peace (nonvoting)

The views expressed in this report do not necessarily reflect the views of the United States Institute of Peace, which does not advocate specific policy positions.

To request permission to photocopy or reprint materials, email: permissions@usip.org.

in terms of both budget and staffing. This is unlikely to change in the near future. On October 15, 2015, President Barack Obama announced his decision to maintain 9,800 US troops in the country and to keep key bases open outside Kabul. He made it clear that troop levels were linked to US efforts to improve governance and development. More recently, on August 21, 2017, President Donald Trump announced a new strategy for both Afghanistan and South Asia: “A core pillar of our new strategy is a shift from a time-based approach to one based on conditions.” Further, he continued, “another fundamental pillar of our new strategy is the integration of all instruments of American power—diplomatic, economic, and military—toward a successful outcome.”¹

Meeting this commitment will not be easy. At a time when military and civilian roles in Afghanistan are expanding, it becomes even more critical that USAID’s work be closely aligned with and inform that of the Department of State and the Department of Defense.

Many studies have sought to capture the lessons learned from whole-of-government efforts in Afghanistan and the challenge of nation building in a country under conflict. The challenges are complex: how best to integrate urgent political and security requirements with long-term development objectives; deliver short-term programs meant to increase stability in a war zone while supporting programs aimed at sustainable infrastructure and improved governance; and carry out key but sometimes divergent political, security, and development objectives simultaneously when large numbers of US military are engaged.

For nearly sixteen years in Afghanistan—particularly after 2007, when the insurgency expanded and the United States significantly increased its military and diplomatic presence—USAID has sought to deliver effective development results in a war zone. Among the challenges are short-term and changing political and security objectives, one-year tours for many staff, and managing billions of dollars of spending in a country riven by decades of civil war and characterized by weak institutions and inadequate human capacity.

High Expectations

The demands on USAID in Afghanistan since 2002 have pushed the agency well beyond its traditional boundaries. Established to deliver emergency humanitarian assistance and longer-term development assistance, it normally worked under a five- to ten-year strategic timeline and on long-term institutional development objectives. In Afghanistan, support for the Department of Defense and State Department work in conflict zones through both short-term stabilization efforts and long-term development placed extraordinary demands on a relatively small agency working to deliver exceptional levels of assistance. No USAID program since Vietnam has been so large, in either budget or staff. Expectations were high that the agency would provide development to match the major US military effort.

According to key actors, among many other actions, USAID was asked to provide hundreds of millions of dollars for stabilization programs in a short period to directly support US troops in key terrain districts, surge from one hundred to four hundred development staff to work from military bases around the country within a matter of months, quickly expand on-budget development assistance delivered through nascent government systems up to 50 percent of a multibillion-dollar program in a country known for its corruption, and even to build a road or a hospital in some of the most dangerous areas in Afghanistan. In sum, the agency was asked to undertake work it normally would not carry out.

The challenge has been compounded by changing priorities. One analysis points to five major shifts over the past fourteen years:²

- 2002–03: complex humanitarian crisis, counterterrorism, and reconstruction
- 2004–05: reconstruction and social services provision

- 2006–08: stabilization, counter narcotics, pivot to provinces
- 2009–11: counterinsurgency
- 2011–14: capacity building, energy infrastructure, transition

The agency pivoted yet again in 2014 and 2015 to support a new reform-minded national unity government following the Afghan presidential elections. This approach continued into 2017.

Each of these shifts has come with its own challenges, trade-offs, and tensions between short-term security and political objectives focused on quick-response and quick-impact programs on the one hand, and longer-term development efforts needed to strengthen institutions, support economic growth, reconstruct destroyed infrastructure, and build a state after decades of civil war, on the other.

The past fifteen years have been plagued by the challenges of working in a war zone, where security concerns limit movement, prevent oversight and evaluation, cripple communications, and threaten staff. As conflicts have erupted, the ambassador and USAID mission director, like their military counterparts, have needed to weigh and mitigate risks to contractors and direct employees, to program success, and to long-term impact.

Despite the challenges and remaining problems, some of the results speak for themselves. Millions of Afghan children are in school, including young Afghan girls. Primary health care has expanded across the country, significantly reducing maternal and under-five mortality. Electricity now reaches almost 33 percent of the population, up from around 5 percent in 2001. The country's media is active and vibrant. Last and scarcely least, a functioning government has carried out five elections.

Six major program areas and the lessons USAID derived from its experience are especially relevant. These include

- strengthening government institutions and people,
- stabilization and counterinsurgency,
- security and working in a war zone,
- using government systems on-budget,
- staffing exigencies, and
- oversight and accountability.

Strengthening Government Institutions

Given adequate security and stability, the objective of the international community was to help build a sustainable, legitimate, and representative government in Afghanistan. This would be no small feat after almost three decades of civil war. It was also an objective that had taken decades and generations in other countries. In late 2001, Afghanistan faced not only severe shortages in infrastructure, clean water, health, and education, but also weak state institutions and a lack of technically trained civil servants. As almost always the case for countries emerging from years of war, significant support was needed to rebuild state institutions; to establish rules, systems, and procedures; and to train Afghans at all levels to carry out essential governmental functions.

Donors have funded technical advisers meant to provide capacity building and training for Afghan government employees or civil servants. Early on, these advisers were mainly expatriates. Now almost all are Afghans and thus known as national technical advisers (NTAs). However, because so few skilled, technical Afghans are in civil service line positions, the government continues to rely on donor-funded NTAs to carry out key functions of government. The donors, including USAID, have had limited success in helping build a cadre of appropriately skilled civil service employees to offset the need for project-based

This would be no small feat after almost three decades of civil war. It was also an objective that had taken decades and generations in other countries.

NTAs. In this sense, President Ashraf Ghani and CEO Abdullah Abdullah inherited a shell of a government from the previous administration, under which key technical ministries relied on donor-funded Afghan contractors to keep the government functioning. In 2015, when the new cabinet was established, almost all of the new ministers included increasing capacity as a primary focus in their hundred-day plans for their ministries. Several of the new ministers confirmed that many of their staff were donor-funded, time-bound project contractors. In a report to President Ghani's office in March 2015, USAID stated that it was supporting, both on- and off-budget, 535 full-time NTAs embedded in line ministries working in a civil service capacity, including 120 in the Ministry of Public Health and ninety-seven in the Ministry of Finance alone. This situation is not sustainable.

The Afghanistan Reconstruction Trust Fund (ARTF), established in 2002 to provide a coordinated financing mechanism for Afghanistan's budget and priority national investment projects, includes a major government civil service reform program called Capacity Building for Results.³ The program was established in 2012 for the government to hire up to 2,500 skilled senior and higher mid-level Afghan civil servants (*tashkeel*). These are hired at a civil service salary to fill key government line positions and carry out inherently governmental responsibilities, replacing donor-funded NTA contractors. The program had brought on board fewer than a hundred new civil servants as of the summer of 2015. A July 2015 decree signed by President Ghani expanded the role of the Ministry of Finance and simplified the hiring process, and the government and the World Bank are moving forward with broad hiring. If well managed within each ministry, once these new *tashkeel* come on board, donors—including USAID—should be able to significantly reduce the number of expensive contractor-funded NTAs in ministries.

At the same time, and just as importantly, the donors have agreed to harmonize salaries for Afghan technical advisers working in ministries under donor-funded projects to be consistent with the Capacity Building for Results salary scale. This should lessen confusion, set a level playing field, and allow the government to attract top Afghan experts by offering salaries similar to those of other donor-funded contractors. Salary harmonization, officially known as the NTA compensation scale, was implemented in 2016. Compliance continues to be a USAID priority.

Thus, although government capacity expanded after 2003, it was not sustainable because much of the expertise came through donor-funded NTAs contractors who had little accountability to the ministries. Some in USAID leadership saw problems early on.

Until the Afghan government displayed the political will to hire *tashkeel* based on qualifications rather than patronage, however, donors had little choice but to assign NTAs within ministries to ensure that government functions continued apace. At the same time, disincentives for real reform to the mainly patronage-driven system abounded: contractors not wanting to lose their jobs, ministers able to forestall reform by relying on NTAs funded by donor projects, and donors more than willing to fund those projects to ensure continued functioning of the government.

The political will is now there, however, and under President Ghani's leadership the path forward to building actual government institutions and supporting real capacity building for a cadre of skilled government employees in key ministries is clear. All donors now need to do their part in this vital reform by harmonizing salaries, ensuring that remaining NTA contractors are accountable to ministries, and defining clear metrics for capacity building.

*At the same time,
disincentives for real reform
to the mainly patronage-driven
system abounded.*

Stabilization and Counterinsurgency: What Did We Achieve?

Stabilization programs are normally a mechanism to quickly support mainly rural communities after conflict and war. Postconflict (and sometimes targeted midconflict) stabilization programs are supposed to link closely to diplomatic and military efforts to build and maintain

peace while increasing citizens' and communities' support for the government and decreasing support for insurgents. USAID often identified the sources of instability and then supported communities through flexible, short-term activities to directly address what often proved to be local issues.

The first USAID stabilization program in Afghanistan was launched in 2001 and managed by the agency's Office of Transition Initiatives (OTI). The provincial reconstruction team (PRT) quick-impact program dates from 2003. The 2009 military and civilian surge and focus on counterinsurgency required USAID to significantly expand its stabilization programming. A new civilian-military strategy, crafted in May 2009, identified stabilization as a key mechanism on the civilian side to support military counterinsurgency operations.⁴ The overriding objectives of joint civilian and military efforts under this strategy were divided into four phases: shape, clear, hold, and build or transfer.

Stabilization activities were to start in the clear phase, as soon as kinetic operations ceased and access to local leaders began. Community-level quick-response grants to kick-start programs rebuilding simple community infrastructure—such as local wells, roads, and schools—were the agency's main contribution. The hold phase continued community-level activities, providing time for the government of Afghanistan to improve delivery of basic services, again addressing root causes of conflict. During the build phase, Kabul-based programs were to support provincial and district governments through the PRTs and district support teams. Projects such as large-scale infrastructure (roads, energy) and small infrastructure (schools and irrigation systems), health, education, market-led agriculture development, financial economic growth programs, civil service capacity building, media training, and trade and economic growth programs were to be implemented by USAID partners.⁵

The agency funded several stabilization programs specifically to support the US military's counterinsurgency objectives under the clear, hold, and build approach in areas of focus, known as key terrain districts. An estimated two-thirds of all agency assistance for Afghanistan during the surge period therefore targeted the east and south. Some of these programs were managed by OTI, such as the Afghanistan Stabilization Initiative and the Community Cohesion Initiative, and were designed to be short-term efforts. But OTI was not enough. The expectations for USAID support for counterinsurgency demanded more; an important element of USAID's development mission morphed into a program to support stabilization. Four examples illustrate the challenges of USAID's efforts to move quickly in conflict areas with short-term, quick-response, quick-impact programs: the multi-hundred-million dollar Stabilization in Key Areas programs, the Afghanistan Vouchers to Increase Production program, the Afghanistan Social Outreach program, and the Strategic Provincial Roads Southern and Eastern Afghanistan program. Results have been mixed, as shown in several final project reports and audits.⁶ In addition, in several instances, trade-offs were difficult—when USAID resources were programmed for short-term, quick-impact programs at scale at the expense of longer-term agricultural development programs. The enduring impact of multiple stabilization programs remains unclear.

Several analyses and studies are now assessing the US government efforts on stabilization and counterinsurgency, especially during the major 2009 to 2012 surge. USAID attempted to measure the impact of the key area and community cohesion stabilization programs through the Measuring Impact of Stabilization Initiatives project, described as “the most comprehensive trends analysis and impact evaluation of stabilization interventions that the U.S. government has ever undertaken.”⁷ Over twenty-seven months and five waves of surveys carried out every six months, nearly two hundred thousand individual interviews were completed in just over five thousand villages across 130 districts in twenty-three provinces of Afghanistan where stabilization programming was being implemented or considered.⁸

The line between the two is blurred and complex, but the differences are real and consequential.

Studies point to many and often overlapping issues. Community-level stabilization programs and work with local leaders assumed a similar national Afghan government commitment to establish and expand the number of qualified local government officials and to improve governance at provincial and district levels.⁹ This did not happen to the extent and levels required. Even now, for example, the Afghan government stated that only 60 percent of the 376 districts have judicial staff.¹⁰ A recent study conducted by the Center for American Progress looking at the impact of the US civilian surge found that many short-term gains were temporary, that the building of Afghan government functions was unsystematic, and that the lack of connection between levels of the Afghan government left work that had been successful at the local level unsupported by the national government. The study also found that USAID and other US government civilians in the field were often used to support military tactical efforts rather than strategic shifts in governance or development.¹¹

A recent Carnegie Foundation report defines foreign aid specifically programmed to support US short-term political and security goals as hard aid, differentiating between it and traditional development programs focused on long-term development goals.¹² As the report emphasizes, the line between the two is blurred and complex, but the differences are real and consequential. This is especially true in Afghanistan, where the agency worked closely with the US military in areas chosen by the military and focused on the short-term political and security objectives related to stabilization and counterinsurgency.

Given the importance of short-term stabilization activities in postconflict and counterinsurgency operations, the years of experience in Afghanistan, the availability of databases related to security, stabilization, and community development, and the dearth of broader quantitative analyses related to USAID-supported programs, USAID funded a quantitative assessment to better understand the impact of stabilization programming in Afghanistan to prepare for similar efforts in future engagements.¹³ The assessment found that stabilization programs generally have only a modest impact on violent conflict and other key outcome measures and that smaller projects can be better targeted and may be less likely to fuel instability and corruption.

Security in a War Zone

Trying to carry out development programs in a war zone involves serious risks to people, reputation, and results. Hundreds of aid workers have been killed and injured by insurgents over the years, making Afghanistan one of the most dangerous countries for development assistance. As insecurity heightened, USAID had to continuously examine its security posture for implementing partners and the impact of insecurity on its programs and expected results.

From early 2002, when USAID and the Department of State returned to Afghanistan after the fall of the Taliban, to around 2006, when the resurgent insurgency began to affect the ability of civilian officials to get around, the agency was generally able to directly oversee programs. For example, staff drove to Jalalabad and other relatively calm areas such as Bamiyan. In 2006, senior staff mentioned that the inability to visit projects was a source of growing frustration. When staff did travel, they often only saw the inside of military bases. Even in late 2006, it was difficult to go out into the community.

Thus, even ten years ago, security constraints significantly limited the ability of USAID staff to speak with farmers in their fields, visit schools and clinics and talk to teachers and health-care providers, and review construction, large and small. Restrictions have only increased since then, requiring extraordinary monitoring arrangements for the necessary oversight and accountability.

To support implementing partners and track related security incidents, in 2011 the USAID mission established the Partner Liaison Security Office in the mission in Kabul, a

best practice. As attacks against foreigners and aid workers increased in 2014 and 2015, the Liaison Office ensured quick and accurate communication between implementing partners under threat or attack and the US Embassy's Regional Security Office. It also shared information almost daily across the implementing partners and ensured close coordination between their security teams.

Whether objectives are short term or long term, security remains key to development. Although USAID/Afghanistan has for the most part shifted out of explicit stabilization and short-term programming in highly insecure areas, and now mainly supports key long-term development social, economic, and governance objectives, the impact of the ongoing insecurity in many provinces across the country continues to adversely affect programs. Whether schools and clinics closed by the Taliban, lack of access for polio immunizations, inability to carry out farmer extension training, or security issues affecting the ability of project staff to travel, all affect the likelihood that development programs can accomplish their goals. Afghanistan is far from being a postconflict country, and Kabul-centric USAID must continue to track closely the project-level impact of insecurity in local areas and be ready and have the flexibility to quickly descope, evacuate staff, or move programs to other geographic areas when necessary. Growing insecurity in key areas of Afghanistan continues to increase costs of development, heighten uncertainty and risks, and make broad-based inclusive development more difficult.

Using Government Systems: Going On-Budget

The best donor practices around the world call for donors to use host country systems for all development assistance. Donors too often use contractors to expand government services such as health care or education, who set up parallel management and budget systems outside normal government systems. Because few, if any, Afghan government procurement, budget, and audit systems working at international standards were in place at the outset of the international intervention in 2002, options for donors to work through government systems were limited. As in many other countries, USAID funded contractors and international organizations to implement development programs in Afghanistan. This gave USAID and other donors more confidence that they were tracking their funds and performance, but of course was costly and did not build local capacity for the host government to carry out key functions of government themselves.

At the 2010 London Conference, in response to a request from the Afghan government and along with other donors, the US government made a political commitment to work toward providing half of all its development assistance to Afghanistan on-budget, meaning through government of Afghanistan systems.¹⁴ The intent was to support and increase the Afghan government's capacity to carry out and take ownership of its own development programs, decrease costs of development (in part by using fewer expensive contractors), increase local solutions to local problems, and build the base for the transition to a point where the government would not depend on foreign aid. These are all important objectives. However, this occurred at a time when corruption was rife and Afghanistan at one point was tied for last place on the Transparency International corruption perception index.

USAID had a multi-billion-dollar annual budget at the time, and to move half of these funds through government systems and onto the Afghan budget was a major challenge, both institutionally and operationally. For USAID and the government of Afghanistan, on-budget assistance included both bilateral government-to-government (G2G) programs as well as contributions to multidonor trust funds that use government systems. Two development-focused trust funds are active in Afghanistan: the World Bank-managed ARTF and the Asia

The idea of bilateral G2G on-budget support is that it should be less of a burden both for the government and the donor.

Development Bank–managed Afghanistan Infrastructure Trust Fund. USAID was already a major contributor to ARTF. Thus, to significantly expand on-budget at the time, USAID needed to expand government-to-government programs.

USAID staff in Kabul worked within the agency's internal accountability rules on local government financing, negotiating an agreement with the Afghan Ministry of Finance to establish strict safeguards for government-to-government programs. The agency also carried out ministerial assessments that identified deficiencies in Afghan government systems. It put in place several on-budget programs in various Afghan government ministries and independent agencies, including health, education, mines and petroleum, the national electrical utility, and the civil service commission.

Expenditures were tracked extremely closely, entire teams in USAID assigned to oversee each program, and systems put in place to ensure accountability. The programs were labor intensive and required constant direct support and oversight. The idea of bilateral G2G on-budget support is that it should be less of a burden both for the government and the donor. In Afghanistan, however, because of USAID's strict accountability rules and the line ministries' lack of capacity, these programs actually required more direct USAID support and intervention than other types.

Given the transfer of education and health G2G programs to the ARTF's multidonor sector programs in 2014 and 2015, and now that USAID is not funding new infrastructure, most US on-budget assistance is now delivered through the ARTF. This leverages other donor funding and provides some flexibility to support new approaches.

For example, in early 2015, as part of the commitment to Afghan-led development and the use of Afghan government systems, USAID and the Afghan government developed a new specific incentive program called the New Development Partnership (NDP), which focuses up to \$800 million in US economic assistance on urgent Afghan priorities tied to Afghan achievements of specific development results and implementation of key policy reforms. In effect, the NDP moved a substantial part of USAID's development assistance budget to an on-budget incentive program that would support the government's key reforms and actions leading to real development outcomes, increase government ownership of its own reform agenda, allow increased flexibility for the government to use its budget for policy priorities, and support the government's fiscal shortfalls in a way that shows results.

The NDP is an innovative partnership. USAID provides funds through the ARTF's recurrent cost window for the government to be reimbursed for allowable development-related costs only within their budget, and where the United States supports the government's reform program. The NDP is designed to provide not only on-budget funds when the government carries out key reforms such as new laws or decrees, but also incentive funding when the regulations or systems are in place to implement these reforms, and when the result from the reform is achieved. For example, USAID is providing funds for the government to establish new taxes that the government has said are priorities, when the government puts systems in place to collect these new taxes, and when the government can show that the new taxes have resulted in important increases in revenue for the government. The NDP is an incentive program not under which Washington tells Kabul what to do to get on-budget funds, but instead for only those reforms and actions that the Afghan government wants to carry out and implement and that are important for long-term development.

This large, bilateral program was possible for two reasons. First, a strong Afghan presidentially led reform agenda gave the United States confidence that a large incentive program to support Afghan reform priorities was possible and made good political and development sense. Second, a proven trust fund in the ARTF allowed USAID to provide funds directly to government systems on-budget through a reimbursement mechanism based on performance benchmarks.

Through September 2017, the government of Afghanistan has earned \$330 million from seventeen NDP results promoting fiscal accountability, good governance, and poverty alleviation.

Staffing Exigencies

The USAID in-country missions, including American, host-country, and third-country staff, are always vital to carry out US and USAID development objectives in any country. In Afghanistan, USAID started with only three staff, all Americans, in 2002, increasing to 101 total staff in 2004 (including ten US direct-hire staff), and to 268 total staff (including ninety-two American direct hires) in 2009, making it at the time one of the largest USAID missions¹⁵ in the world. This was just the beginning, however.

In December 2009, President Obama announced a major increase of US troops and civilian employees (to support interagency accelerated development and stabilization efforts) in Afghanistan. USAID was asked to play a major role in the civilian surge by rapidly placing technically qualified development and stabilization experts in Afghanistan, mainly in PRTs, district support teams, and the regional commands around the country. USAID did not have enough direct-hire career staff to fill the requirement and had to recruit quickly and hugely from outside of the agency.¹⁶

The surge was massive for USAID, from ninety-two staff in 2009, to 237 in 2010, and 323 in 2011, just over 20 percent of the agency's staff worldwide.¹⁷ The growth to more than 570 by 2012 made the USAID presence in Afghanistan its largest since Vietnam. However, even as the surge in the field continued, the United States decided to begin decreasing its civilian footprint and the number of civilian staff, especially outside Kabul, substantially and relatively quickly. By the end of September 2013, the number of direct-hire Americans had fallen to 217.¹⁸ The decrease continued, and two years later the count was approximately one hundred.

Most of the new American staff under the surge served as field project officers in dozens of military bases outside Kabul. During the height of the surge, USAID was under enormous pressure to get as many development experts to PRTs and district support teams as quickly as possible.¹⁹

As field project officers were pulled out of Afghanistan in 2012 and 2013, USAID interviewed more than a hundred returning officers who had served during the civilian surge of 2009 through 2012. Their report includes several important findings and recommendations:²⁰

- Implementing stabilization or development activities with adequate monitoring in kinetic areas (in the clear phase of counterinsurgency) was extremely difficult, and difficult even in the hold phase because of residual combat activity.
- The PRT model was not fully integrated into USAID's ongoing Afghan stabilization and development programs except during the first two or three years when USAID was a major player in adapting the model to Afghanistan. The US Embassy set up an interagency provincial affairs office to manage all US civilians outside Kabul, limiting USAID's involvement.
- USAID and the embassy appeared to have little success in matching the skills and experience of the Foreign Service officers to the needs of the PRTs and district support teams.

The roles of the hundreds of field project officers in PRTs, district support teams, and forward operating bases around the country varied depending on the person and situation. The field project officers carried out an important role of advising the military from the United States and other NATO countries on development issues and development-related projects. One source mentioned that USAID officers had to review and sign off on all programs funded

The role that field project officers could have played...was therefore never fully realized.

by the Commander's Emergency Response Program, although purportedly this role ended with the start of the major military surge and increases in Commander's Emergency Response Program funds. Many of the field project officers also met regularly with host government officials to share information on USAID development programs in their areas and to hear about and better understand Afghan priorities. They also often provided invaluable local context for project design and implementation in their areas.

Many of the field project officers did not have previous USAID experience or the necessary certification and therefore did not formally oversee and monitor projects as USAID contract officer representatives. Those representatives were stationed in Kabul and communications were often poor. The role that field project officers could have played in extending the monitoring capabilities of the representatives was therefore never fully realized. USAID/Afghanistan worked hard to better integrate the field project officers into the normal project monitoring system, but the size and diversity of the portfolio and the ever-shifting staff and projects in the field made doing so difficult. On a positive note, most field project officers served for multiple years in Afghanistan, moving from base to base at times, which provided USAID and the broader US government with important field experience continuity and contacts. The field project officers came to post on up to five-year contracts, and knew that they would be working out of the various far-flung regional posts before they came out, so the incentives encouraged multiyear commitments, which at the time significantly improved USAID mission continuity.

The timetable for the military-led closures across the country significantly dictated the fairly steep withdrawal of USAID and other civilian US government agency personnel. USAID direct-hire personnel levels in Kabul also decreased during this time, meaning that almost all of the field project officers with important field experience had to leave. This exodus, along with the growing number of Afghan Foreign Service national employees who left Afghanistan through the special immigrant visa program, meant that the USAID Mission in Afghanistan was losing much of its staff depth, continuity, and institutional knowledge. This, combined with the fact that most Foreign Service officers stayed in Kabul for only a year, made carrying out long-term development programs very difficult and affected program effectiveness.

By July 2015, on the closing of the US consulates in Mazar-al-Sharif and Herat, USAID had become (and is still) wholly Kabul-based. Staffing levels continued to decrease, whereas the mission's program pipeline (appropriated funds obligated for specific development objectives and projects but not yet spent) stayed at a very high \$3 to \$4 billion. In 2014 and 2015, USAID carried out multiple exercises to look at moving key functions and positions to nearby countries, streamlining within the mission, and reducing the count of management units by designing larger projects.

The agency managed and accounted for billions of dollars of programs that entailed continued and understandable extremely high oversight requirements, shrinking in-country staffing levels, American and Afghan staff becoming almost totally Kabul-centric, and a worsening security situation across the country. The USAID programming and management model relies on its in-country mission staff to work with all local stakeholders, especially the host government; to carry out robust analytical and evidence-based designs; to know and use local systems and local solutions; to react quickly to security and other exigencies; and to constantly resolve problems on the ground to achieve development results and account for US taxpayer money. USAID has shown that it can muster the flexibility to ensure appropriate project management and accountability even in situations like Afghanistan by constantly planning ahead.

Oversight and Accountability

Accountability is key in a country, such as Afghanistan, characterized by high corruption, weak institutions, low human capacity, difficult travel, ongoing conflict, huge budgets, and a broad array of programs. It is one reason Kabul hosted multiple US government oversight bodies, including the USAID Office of Inspector General, the General Accounting Office, and the Special Inspector General for Afghanistan Reconstruction. The roles of the oversight and audit groups based in Kabul have been vital, especially to follow up on the numerous allegations of corruption. In addition, at one point, the US Embassy had five ambassadors overseeing every aspect of USAID's work. Congress understandably wants a level of confidence that even from Kabul, USAID knows what is happening on all its projects across Afghanistan, accounts for funds, safeguards investments, tracks results, resolves implementation problems when needed, and makes changes to increase impact.

Starting in 2012, as the US military decreased troop levels and closed bases, USAID also decreased staffing levels and its overall presence in the field. As mentioned, USAID's staff is now entirely Kabul-based. In late 2012 and 2013, USAID saw the handwriting on the wall and began working on a robust monitoring program even though staff travel was limited to Kabul and the few remaining US bases. This work evolved into a multitiered monitoring approach that is now fully operational, though the effort to expand and improve it continues.

Given the hundreds of USAID officers across the country, most officials in Washington believed that USAID had a good idea of what was happening with its programs. In reality, because of security concerns, opportunities for field officers to visit beneficiaries, talk with farmers in their fields, visit and review clinics and schools, or attend community development council meetings were limited. However, from interviews and discussions with many of the field project officers coming through Kabul, it was clear that regular discussions with implementing partner staff in the field did provide some important support and oversight of their work.

In response to the changing dynamic, USAID developed a multitiered monitoring approach to collecting and verifying information to inform decision-making. Staff are encouraged to be creative and innovative; one office came up with the idea to livestream training events using smartphones. USAID relies on a variety of monitoring actors and data points to gather and analyze monitoring data. Each project manager then triangulates the data to ensure confidence in the reporting, and uses the results to make or recommend programmatic decisions. The tiered monitoring actors in use at the time included the following:

Tier 1

- US government direct observations
- site visits, live streaming of events using smartphones or satellite imagery

Tier 2

- partner reporting
- reports, photos, videos, implementing partners' internal monitoring and evaluation system

Tier 3

- Afghan government and other donors
- provincial or district reports, sector working groups, donor symposiums, assessments

Tier 4

- civil society, local organizations, and beneficiaries
- phone calls to beneficiaries, hotlines, media coverage, community shuras

Tier 5

- independent monitoring contractors
- site visits, observations, surveys, crowdsourcing

Opportunities for field officers to visit beneficiaries, talk with farmers in their fields, visit and review clinics and schools, or attend community development council meetings were limited.

Each USAID activity has a separate monitoring overview specifying what tiers will provide monitoring information and how the data will be developed and used. USAID remains responsible for all fiduciary and program monitoring. The approach is an intensive process that requires high levels of information sharing across monitoring actors and tools to ensure that US government development goals are achieved and that US taxpayer funds are properly managed. An OTI-managed tier 5 Afghan independent monitoring contractor systematically sent teams to some 60 percent of the thousand-plus OTI-funded, village-level activities and wrote reports on each site visit, including photographs and geospatial detail. This no doubt was a far higher percentage of USAID site monitoring than in other countries. In other words, under the multitiered monitoring system, USAID/Afghanistan will receive monitoring information on its activities and programs at a detail and level not available in other countries.

In addition, USAID/Afghanistan has established, in conjunction with other embassy sections and agencies, a robust and important vetting process of all proposed contracts over \$25,000 to a non-US entity, to ensure that there are no links between potential contractors and known terrorists and insurgents. The program works. From May 2011 until May 2017, USAID vetted some 7,883 requests worth close to \$4 billion. The vetting system determined 347 contracts worth over \$692 million to be ineligible, thereby denying support to insurgents and terrorists.

USAID continues to focus on monitoring and accountability of programs and funds. The multitiered monitoring system significantly expands monitoring capabilities and improves the approach, with potentially more and better direct monitoring of activities than during the surge. Continued high-level attention from senior management is needed to ensure that the multitiered system works bottom up and top down, and decisions can be made in real time to change or de-scope programs quickly to maximize impact and manage risks.

Recommendations

“The U.S. assistance program to Afghanistan was over-ambitious, both as to scale and timing. In many ways, the program was larger than could be effectively administered by either the U.S. or Afghan governments. For both governments, it was easy enough to establish project activity and agree on advisors and counterpart field staff, but it was much more difficult to recruit appropriately qualified staff...”

“The U.S. generally had too much confidence in the applicability of technical solutions to complex social and economic development problems and of the appropriateness and transferability of U.S. values and experience....”

“The use of aid for short-term political objectives...in Afghanistan, tended to distort sound economic rationale for development and in the process to weaken the longer-term political interests of the United States. Aid as a tool of diplomacy has its limitations when politically motivated commitments are at a much higher level—and promise more—than can reasonably be delivered in economic terms.”

These recommendations do not come from a recent report, but from a 1988 USAID-funded retrospective review of US assistance to Afghanistan from 1950 to 1979.²¹

Many Afghanistan lessons-learned studies are under way or recently completed, including a series of complex, whole-of-government lessons-learned reports by the Special Inspector General for Afghanistan Reconstruction. USAID will no doubt be tasked to again move well beyond its normal comfort zone as part of another US government intervention focused

on political and security short-term national objectives. It will be vital that USAID officers involved with the planning for these interventions review and integrate the relevant and continuing lessons from Afghanistan.

Many have observed that everything USAID does in Afghanistan is suboptimal because of the constraints to how the agency normally does its business. That being said, the key is to maximize impact and cost-effectiveness even in a suboptimal environment.

Do not try to do everything. It is extremely difficult to effectively show enduring development results in a war zone, given the billions of dollars spent on short-term political and security objectives, and the one-year tours for most staff.

Short-term stabilization programs or long-term development programs in areas with active ongoing conflict have had limited enduring impact. Targeted humanitarian assistance has more.

Whether with the broader interagency, a four-star general, or White House Special Representative, when asked to carry out short-term, quick-impact, quick-response programs within a tight time frame, USAID needs to be clear about timelines, sustainability issues, risks, the impact of exogenous events on stability, governance and “hearts and minds” programs, and the broader strategic policy requirements to achieve the stated US political and security objectives. Expectations should be kept reasonable, especially in complex environments.

Stick to proven development principles. As much as possible, proven development principles—such as local systems, sustainability, evidence-based design and implementation, strong monitoring and evaluation, country ownership, and focus on institutions and local capacity—should be maintained and the requisite analyses carried out up front.

Flexibility is key. Mechanisms and approaches should be in place that maximize flexibility—for example, in shifting funding, descoping activities, and moving activities to different geographic areas—for the agency and for the host government, given constant changes and fluctuating opportunities. Headquarters needs to fully support any new flexible arrangements.

More money and staff will not necessarily resolve political or structural issues: more staff does not mean better programs and more money does not address structural, systemic, historical, or cultural impediments to development in the short term.

Just as the potential impact of programming in a conflict zone should not be exaggerated, neither should the risks and costs be underestimated.

Short-term programs can build the base for long-term changes. Even in conflict zones and given a large US military or diplomatic presence, USAID needs to keep its eyes on foundational investments that would increase the future viability of the country. A good example is the American University of Afghanistan. Poor examples are the miscues on foundational civil service reform and the lack of district and provincial staffing and administrations. As a Center for American Progress study emphasizes, “U.S. agencies must do the upfront work of acknowledging and defining the strategic rationale and purpose for civilian representatives in a particular conflict” and develop prioritized and achievable objectives for civilians within that strategy.²²

Recognize that a great deal depends on the quality of government leadership and management. A big part of the explanation as to why public financial management progressed far more than civil service reform, public health more than agriculture and (in the early years) energy was that better performing ministries were better led and managed on the Afghan side.

External agencies can do only so much to further longer-term development and governance objectives if the government does not take effective action.

Donors and governments need to focus more on core business functions of government—that is, human resources systems, financial management, procurement, and independent internal audit.

Expect and plan for high levels of oversight. Develop an agreement with the Inspectors General and congressional staff, when possible, on monitoring and risk mitigation.

In a high-risk, political, and conflict-driven environment, develop and ensure constant senior-level attention to a robust monitoring system that also tracks security incidents. Management systems should be set up to make real-time decisions on project activities.

Notes

1. White House, "Remarks by President Trump on the Strategy in Afghanistan and South Asia," Office of the Press Secretary, August 21, 2017, www.whitehouse.gov/the-press-office/2017/08/21/remarks-president-trump-strategy-afghanistan-and-south-asia.
2. Melissa Sinclair, "USAID Afghan Retrospective Project" (unpublished document, Washington, DC), 2014.
3. Administered by the World Bank and supported by thirty-four donors, the Afghanistan Reconstruction Trust Fund remains the vehicle of choice for pooled funding, with low transaction costs, high transparency, and close accountability. It is the largest single source of on-budget financing for Afghanistan's development and supports key sectors including education, health, agriculture, rural development, infrastructure, and governance.
4. Norma Parker, "Lessons Learned: USAID Perspectives on the Experience with Provincial Reconstruction Teams (PRTs) in Afghanistan" (Washington, DC: USAID, 2013).
5. Ibid.
6. Aluiso Rosa-Borges, Russell Leek, and Eric Guetschoff, "Final Report Evaluation of USAID's Strategic Provincial Roads Southern and Eastern Afghanistan" (Washington, DC: USAID, August 2011); AECOM International Development, "Afghanistan Social Outreach Program (ASOP): Final Report" (Washington, DC: USAID, January 2012).
7. Management Systems International, "MISTI Stabilization Trends and Impact Evaluation Survey: Analytical Report, Wave 5: Sept 28–Nov. 3, 2014" (Washington, DC: USAID, 2015).
8. The precise counts are 190,264 interviews and 5,093 villages.
9. Frances Z. Brown, "The U.S. Surge and Afghan Local Governance: Lessons for Transition," Special Report no. 316 (Washington, DC: USIP, September 2012).
10. Government of Afghanistan, "Summary of Districts' Security Risks Assessment," Kabul, June 2015.
11. Ariella Viehe, Jasmine Afghar, and Tamana Heela, "Rethinking the Civilian Surge: Lessons from the Provincial Reconstruction Teams in Afghanistan" (Washington, DC: Center for American Progress, 2015).
12. Nathaniel Myers, "Hard Aid: Foreign Aid in the Pursuit of Short-Term Security and Political Goals" (Washington, DC: Carnegie Endowment for International Peace, September 2015).
13. Ethan B. Kapstein, "Aid and Stabilization in Afghanistan: What Do the Data Say?," Special Report no. 405 (Washington, DC: USIP, 2017); Jacob Shapiro and Radha Iyengar, "Afghanistan Stabilization Program: A Summary of Research and Key Outcome Trends" (Princeton, NJ: Empirical Studies of Conflict, 2017).
14. Stakeholders' interpretations of on-budget varied. Most development practitioners would differentiate between project and general on-budget assistance, the former referring to donor-funded projects for which the executing agency is the host government rather than the donor. William Byrd, "Economic Management in Afghanistan: What Worked, What Didn't, and Why?" (Kabul: Afghanistan Analysts Network, 2015).
15. US direct-hire USAID staff are full-time, American USAID employees distinguished from Afghan staff (called foreign service nationals), from third-country nationals, and USAID employees who are citizens of other countries.
16. Parker, "Lessons Learned."
17. USAID staffing levels taken from USAID semi-annual worldwide staffing pattern reports (see "Reports to Congress," www.usaid.gov/open/reports-congress).
18. Sinclair, "USAID Afghan Retrospective Project."
19. Parker, "Lessons Learned."
20. Ibid.
21. Maurice Williams, John Kean, Charles Jenkins, Joanna Feldman, and Patricia Fisher-Harris, "Retrospective Review of US Assistance to Afghanistan: 1950–1979" (Washington, DC: USAID, September 1988).
22. Viehe, Afghar, and Heela, "Rethinking the Civilian Surge," 3.

ISBN: 978-1-60127-696-4

An online edition of this and related reports can be found on our website (www.usip.org), together with additional information on the subject.

Of Related Interest

- *Rule of Law, Governance, and Human Rights in Afghanistan, 2002 to 2016* by Erin Houlihan and William Spencer (Peaceworks, August 2017)
- *Afghan Views of Government and Elections: Legitimacy Pending* by Anna Larson and Noah Coburn (Special Report, July 2017)
- *Political Stability in Afghanistan: A 2020 Vision and Roadmap* by Alex Thier and Scott Worden (Special Report, July 2017)
- *Aid and Stabilization in Afghanistan: What Do the Data Say?* by Ethan B. Kapstein (Special Report, June 2017)
- *Industrial-Scale Looting of Afghanistan's Mineral Resources* by William A. Byrd and Javed Noorani (Special Report, May 2017)



**United States
Institute of Peace**

2301 Constitution Ave., NW
Washington, DC 20037

www.usip.org

