Afghanistan: Bringing Accountability Back In
From Subjects of Aid to Citizens of the State

A report by Integrity Watch Afghanistan

2008
Biography

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About IWA

The mission of Integrity Watch Afghanistan is to “increase transparency, integrity and accountability in Afghanistan through the provision of policy-oriented research, development of training tools and facilitation of policy dialogue” putting corruption under the spotlight so that society and policy makers can engage in dialogue and develop solutions. IWA has also been able to put together a competent and very committed team composed essentially of highly skilled Afghan researchers. IWA is part of the Network for Integrity in Reconstruction (NIR), constituted of NGOs and civil society organizations working in 8 post-conflict countries and exchanging experiences and competences to reduce the chances to revert into conflict.

IWA’s publications:

- The Reconstruction National Integrity System Survey (RNISS) (Tiri)
- The Reconstruction Survey (Tiri)
- Two case studies:
  - Assessing the NSP: the role of accountability in reconstruction (Tiri)
  - Afghan road reconstruction: deconstruction of a lucrative assistance (Tiri)
  - Integrity tools, a study of the Afghan anticorruption organs and laws (Dari)
  - Survey on Afghan perception of corruption (1250 persons and 13 provinces)
  - Survey on Afghan perception of integrity in aid (3000 persons, 18 provinces)
- Afghan’s experience of corruption, a study across seven provinces (UNDP)
- Corruption perceptions and risks in humanitarian assistance: an Afghanistan case study (Overseas Development Institute)
- The Aynak Copper Mine: Assessment of Threats and Opportunities for Development

Also see www.iwaweb.org
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Cover: Painting from Kamal-ud-din-Bihzad, The construction of castle Khavarnaq in al-Hira, c. 1494-1495, Afghanistan
LIST OF ACRONYMS

ACBAR – Agency Coordination Body for Afghan Relief
ACSF – Afghan Civil Society Forum
ADB – Asian Development Bank
AEP – Afghan Expatriate Program
AKDN – Aga Khan Development Network
ANDS – Afghanistan National Development Strategy
ARTF – Afghanistan Reconstruction Trust Fund
BPHS – Basic Package of Health Services
CAO – Control and Audit Office
CDC – Community Development Council
DAD – Donor Assistance Database
DDR – Disarmament, Demobilization and Reintegration
DFID – UK Department for International Development
DIAG – Disbandment of Illegal Armed Groups
EC – European Commission
ELBAG – Economic Literacy and Budget Analysis Group
GAO – US Government Accountability Office
GIAC – General Independent Administration for Anti-Corruption
GoA – Government of Afghanistan
I-ANDS – Interim Afghanistan Development Strategy
IARCS – Independent Administrative Reform and Civil Service Commission
IO – International Organization
ISAF – International Security Assistance Force
JCMB – Joint Coordination and Monitoring Board
LEP – Lateral Entry Program
LOTFA – Law and Order Trust Fund for Afghanistan
MDG – Millennium Development Goals
NIS – National Integrity System
NSP – National Solidarity Program
ODA – Official Development Assistance
OECD – Organization for Economic Cooperation and Development
PAR – Public Administration Reform
PFEM – Public Finance Expenditure Framework
PFM – Public Finance Management
PRR – Priority Reform and Restructuring
PRSP – Poverty Reduction Strategy Paper
PRT – Provincial Reconstruction Team
PU – Parallel Unit
SIDA – Swedish International Development Cooperation Agency
SSR – Security Sector Reform
TA – Technical Assistance
UNCAC – United Nations Convention against Corruption
UNDP – United Nations Development Programme
USAID – United States Agency for International Development
WB – World Bank
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The question posed to President Hamid Karzai at a Spiegel interview in June 2008 reflects most of what is documented in this report. Although democratic institutions are currently well under construction and sound governance is a priority for the administration, in contrast to the Taliban period, should these benchmarks and others be systematically compared with the years of Taliban rule? Many of the problems Afghanistan today faces have their roots in the legacy of past shortcomings in the international community’s response to Afghanistan. Karzai spoke of ‘local commanders’ who were considered as ‘partners with foreign allies’. Some of these legacies hamper the emergence of an accountable state.

The Paris conference of June 12th 2008 is a chance to review aid policies in Afghanistan; if the international community wants to succeed in Afghanistan, more of the same aid is not an option. This report argues that the international community must significantly improve its aid policies. The report is based on interviews of major aid actors and a survey of over 1000 Afghans across 18 provinces that set out ways to bring integrity back in to the reconstruction process and meet the expectations of the Afghan population.

The survey shows that:

- 64% of respondents thought that there is corruption in aid;
- Among the people who thought that there is corruption in aid, 60% estimated that 40% of aid money is lost in corruption
- In May 2008, after President Karzai signed the Afghanistan National Development Strategy, less than 33% of respondents knew about its existence
- 92% of our respondents recommended that the international community should spend aid through the government and 79% agreed that conditionality could be used by donors when giving money to the Afghan government
- Only 12% of our survey respondents believe that aid is equally distributed across provinces
- A very large majority (81%) of respondents believed that less than 40% of aid given to Afghanistan really reaches the Afghan population
- Aid is widely perceived to be spent by the Afghan government, NGOs and International organizations
- 93% of the respondents considered that monitoring and evaluations improves the quality of aid projects

The Paris Conference to be held on the 12th of June 2008 risks replicating much of the same errors and bringing more of the same unaccountable foreign aid as before if lessons from the past are ignored. A ‘more of the same’ attitude is not an option if the international community wants to succeed in Afghanistan. The accountability of both the Afghan government and its international supporters towards the Afghan citizens must become an integral principle of the Paris Conference.

The weak accountability of foreign aid, and the Afghan government, is a direct outcome of the legacy of past international governance efforts – be it the state-building or the democratization, the peace-building or the war on terror. Over the last six years, the effectiveness and the accountability of the Afghan state have often been sacrificed to accommodate peace and security. President Karzai in his interview with Spiegel mentioned a local commander whose militia is being paid tens of thousands of dollars a month for providing personal security services as guards in the service of an allied nation. Karzai claimed that ‘members of the international community are strongly connected to corrupt elements’.
High dependence on aid still poses an acute problem of a rentier state that lacks a strong accountability to its people. This is further exacerbate by the creation of semi-parallel structures by the international aid community such as the Technical Assistance programs in various line ministries, the Provincial Reconstruction Teams and private security agencies. These structures often consume considerable amounts of net aid flows but undermine Afghan leadership, the effectiveness of the state and the accountability of aid towards Afghan citizens. These problems have to be seriously considered during the Paris Conference.

Efforts of international community over the last two years have achieved progress, but very few of these are directed towards allowing genuine accountability towards Afghan citizens. For instance, while the Afghanistan Compact from the London Conference in 2007 is a useful tool in initiating a discussion of accountability between the donors and the Afghan government, the participants in the London Conference did not believe in the implementation of the benchmark nor did it contain an accountability mechanism whereby the Afghan government was to be made accountable by its citizens. The OECD monitoring of aid-effectiveness further showed its limitations in regards to 'accountability to the end beneficiaries' since it was mainly a donor-to-government tool. The quality of aid can hardly be monitored through such a mechanisms; furthermore, the quantitative monitoring may underestimate aid effectiveness since it is based on donor and government reporting - both entities have a common interest in showing progress.

Yet, this is an important progress as no such international measure existed three years ago. Moreover, even though the ANDS is vague content-wise on anti-corruption measures, it constitutes of interesting elements for increased public accountability from the state. It is not sure, however, whether current efforts of prioritization to make ANDS a feasible strategy in a tight timeframe would not undermine the level of public participation and an 'Afghan input' that was gained through two years of consultations. Public expectations are high from the Paris Conference - even though only one Afghan surveyed in three actually knew in May 2008 that a national development strategy and a donors' conference in Paris were underway.

The preparation for the Paris Conference has already heralded some promising opportunities – compared to previous gatherings – notably for the integration of civil society voices in high-level policy discussion. It is hoped that the issues of aid effectiveness and corruption are among the top agendas. As Kai Eide, the United Nations' special envoy to Kabul said in Oslo, we should not judge Paris on the amount of money pledged but the quality of partnership between Afghans and internationals and the impact it makes.¹

Respondents of our survey wanted to see more aid to be spent through the Afghan government and increase the Afghan leadership over aid (even though it is considered as the most vulnerable to corruption)². Despite the perceived level of corruption within aid and high disparities in distribution of aid across provinces, the huge enthusiasm amongst Afghans to, in some sense, take ownership of aid, is a sign of hope in itself.

The empowerment of local communities will allow them to have a greater influence on the future aid projects, making them active citizens of aid and not just passive subjects of aid.

² See page 30 of this report
Integrity Watch’s concerns:

1. Afghanistan is becoming increasingly dependent on aid rent. Besides, despite high levels of aid pledged, aid remains highly unpredictable and too much aid is channelled outside of government’s priorities and of the core government budget.
2. The consultation with the population and its role in holding aid agencies and the Afghan government to account for their actions remain completely underdeveloped. The Afghan population has not yet become an actor of aid. Rather they have become de facto subject of the aid institutions.
3. Information asymmetries are a latent cause of tension. Although Donor Assistance Database and the ISAF database are nominally accessible to the public, these have no value for the vast majority of Afghans who are not computer-literate, have not access to Internet and do not speak English. Access to information and local accountability should become an integral part of any project or program in Afghanistan.
4. The monitoring tools used by the international community to monitor aid, such as Compact/Joint Coordination Monitoring Body (JCMB) or the OECD, are mostly donor-government driven.
5. The semi-parallel system of aid delivered through PRTs, conflicting technical assistance programmes, and private security arrangements and even parallel logistics platforms should be better integrated into existing structures of the Afghan state or replaced by other local resources.
6. Not enough investments are being made in higher education in order to train the next generation of Afghan specialists so that expensive technical assistance by expatriates can be phased out. After 7 years of reconstruction, Afghanistan is still extremely dependent on external TA.
7. Natural resource governance, particularly mining and gas, which is the only realistic foundation for the future development of Afghanistan, needs to be given higher priority before more large contracts are signed.

Integrity Watch’s recommendations for a better aid:

- Today the Compact is limited to a donor-government agreement. It is necessary to develop a mechanism where a greater engagement of ordinary Afghans is encouraged. For this a double compact between the donor, the government and the final beneficiaries is necessary so that aid becomes accountable to the Afghan people;
- Include locally driven monitoring tools to measure the efficiency of aid as seen by the population; the integration of locally meaningful mechanisms, frameworks and competencies are key in reducing the tensions and frustrations
- NGOs should systematically communicate the amount of aid spent in reconstruction projects following the example of the Afghan government to the general public; in the context of higher demand by donors for financial accountability, channelling funds through international NGOs should not become the main solution. Rather, social and political accountability mechanisms should be developed at local and national levels.
- To ensure public access to information stronger legislation is required and greater involvement by Parliament and Provincial Councils in discussing aid policies;
- Greater investment in higher education is the only exit strategy for expensive externally driven technical assistance. Exit should be the driving principle for any semi-parallel system that is deemed necessary for the delivery of aid.
- Natural resource management should be one of the main priorities of donors’ assistance to Afghanistan.
1) GAPS IN POST-TALIBAN STATEBUILDING

A) State formation through international governance and weak accountability

History offers tremendous lessons when it comes to the nature of a state shaped through external assistance and intervention. Abdul Rahman Khan endeavored to build a strong state by concentrating capital, coercion and commitment to this project. Thus, he ensured that none of his non-state competitors had access to external resources. He therefore secured the agreement of both British and Tsar Empires not to interfere in domestic politics of the Afghan state. But, the Emir of Afghanistan – whose legacy of the centralized state still provides *de jure* legitimacy for the Afghan state today – had to overwhelmingly rely on religious legitimacy as a supplement to his people’s commitment. Afghan leaders today face a more demanding situation: not only is the use of coercion by the state towards its people highly constrained by international norms, people’s commitment towards their rulers itself is much more exigent. In fact, such commitment is only obtained in exchange for the recognition of citizenship rights that have been constantly expanding. Individuals commit towards the state if their expectations as citizens are met. Afghans enthusiastically claimed for such rights when they participated in large numbers in presidential and parliamentary elections, but also when they sent their children to schools. Further, they strongly supported the inclusion in the constitution of basic rights such as the right to be educated and the right to have access to basic health facility for free to be provided as a public service. Afghans demonstrated their claims as citizens when they held strikes in cities such as Herat and Jalalabad in 2006 and 2007 denouncing the corruption of state agents and the lack of basic state facilities. Some reacted more violently by supporting the Taliban as their expectations were not met. Afghan intellectuals of national status such as Qasim Akhgar showed their frustration when they found that they have been treated as mere ‘state subjects’. Clearly, such gaps between the delivery of the state and the expectations of its citizens could have been drastically reduced if some mechanisms of public accountability had been put in place. The failure in post-war reconstruction, therefore, brings to the fore an explosive situation where ‘demands for accountability [that] are fuelled by claims of systemic corruption’ can be enormously destabilizing (Galtung and Tisné, 2008, p.2).

The current architecture of international governance assistance – resources that come through statebuilding, peacebuilding or other type of intervention – is a major obstacle to the state-building project. It does not allow for the necessary concentration of resources in the form of capital and coercion (Rubin, 2005). Besides, the inherent unpredictability of the resources to the client state further results in less solidarity of citizens toward the state. Although a strong consensus has emerged in the OECD countries since 2005 to put state-building at the center of their efforts, the aid system is still mentally and institutionally captured by ‘business as usual’. Two-thirds of the aid to Afghanistan bypasses the core budget which include the development budget of the Afghan government therefore not prioritizing Afghan strategy, objectives and targets. This happens most often even though donor agencies have not clearly formulated their own country strategies or at least they are not available to the client state. Even when funds become finally available at the end of the fiscal year, most of development programs such as the National Solidarity Program suffer from uncertainty in regards to their future funding. ‘Business as usual’ impose that aid should be fragmented more and more into small projects hardly exceeding a couple of months or fit into sectors as it makes sense to the donor agencies. Nationally defined programs therefore do not always correspond to the outline and institutional architecture of aid. Consequently, a state that has to compete for resources with other actors and who is not able to provide predictability to its citizens for basic services is a weak state with limited ability to be accountable.

The current architecture of international governance assistance is also at the core of another dilemma: the present *rentier* state structure which paradoxically has a distorting impact on the accountability of the state and the political leadership. *Rentier* states emerge – especially in Third World natural resource-rich countries – when the part of external resources available to the state from non-productive activities outpaces the level of domestic revenue mobilization. There is therefore a risk that low level of taxation from productive activities and increasing dependence towards external patron might lead to the emergence of unaccountable states and
elites who are not interested in democratic rule or a people-centered development of their countries. Barnett Rubin has shown, for instance, how the development of the rentier state in Afghanistan as a result of dependence on external aid gradually weakened the state and distanced the elites from the traditionally rural society (Rubin, 2002).

In order to mitigate the present rentier state dilemma, successive Afghan governments have simulated fiscal sustainability of the state and internationally committed themselves to the principle of increased domestic revenues through the Berlin Conference and the London Compact. Furthermore, the ANDS document has tried to raise some USD 50 billion during the Paris Conference and envisages domestic revenue to increase up to USD 6.9 billion, i.e., roughly 14% of the total amount over the coming five years. Domestic revenue currently constitutes 7% of GDP, but the ratio to total assistance has remained unchanged over the last three years as both domestic revenue and external assistance have increased. The fiscal sustainability of the state in Afghanistan is calculated on the basis of existing recurrent budget and expenditure which do not reflect many recurrent expenditures currently happening in the development budget. Some observers of Afghanistan have raised the alarming bell by arguing that ‘revenue growth is occurring’ and that ‘it is projected that in the next two years revenue will cover salaries’ (Nixon, 2007). However, according to the last IMF report, Afghanistan for the first time was not able to meet its revenues targets.

Such optimism should be balanced. In fact, the current monthly salaries of USD 60 of most civil servants put them just below the acceptable poverty level of USD 14 per capita per month given the size of Afghan families. This is hardly bearable and politically costly in the context of poverty reduction and corruption control that is expected to prevail after the Paris Conference. Indeed, the poverty of civil servants has so far provided the most important justification and legitimization of petty corruption by low-level state agents, as we have shown in previous reports (Gardizi, 2007; Delesgues & Torabi, 2007a). It is expected that in the context of high prices of commodities, the Parliament may push for a forceful increase in civil servant salaries as it did in 2006 and is trying now a USD 14 rise per month. Indeed, the Education Minister, Hanif Atmar, has already announced that teachers’ salary will be increased by 1300 AFS as of 21st of May 2008, i.e. 36% of the average salary today. This increase is in addition to the second phase of increasing salaries that will be based on pay and grading reform. Furthermore, not only do citizens expect more from the state, the Afghan government also plans to increase the number of civil servants in order to respond to its commitments in the ANDS. An increase, for instance, is expected in education, police and justice sectors after the Paris Conference.

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1 For instance, if a household is composed of four members, 60 dollars per month is equivalent to 15 dollars per capita.
least, a significant portion of salaries for civil servants today comes from either the investment window of the ARTF or the development budget in the forms of top-ups, expatriate salaries, value for competence etc. These include, for example, top-ups to keep qualified staff within the NSP and the National Rural Access Program (NARP) but also to bring qualified Afghans to the civil service through recruitment programs such as the AEP and the LEP.

Besides, government forecasts of revenue include a ‘major contribution’ from mining, gas and other natural resources (in the words of the ANDS, which again accentuates external dependence)- currently a very low share. Consequently, the looming threat of the rentier state will accompany the upcoming years. It is not clear from the text of ANDS as to how much of domestic revenue will come from extractive industries. But, according to our estimates, in five years time, state revenues from the Aynak copper mine alone will be in the range of USD 400 million per year once the extraction will start. Further, the Mine and Industries Minister, Ibrahim Adel, recently announced that a contract will be signed with a foreign company for the exploitation of the Hajigak iron ore in the coming months¹. Annual state revenues from Hajigak and other mining and hydrocarbon activities will probably total a few billion dollars per year according to sources involved in the mine sector. On May 8, 2008, the Minister further announced the winning of exploitation rights of a gold mine in Takhar province by an unnamed Afghan enterprise even though the estimated quantities and the state income have not yet be specified². In a study on Aynak copper mine last December, Integrity Watch highlighted some of the concerns in the context of nascent state Afghan institutions. These included deficits in the governance, legal and regulatory frameworks as the roles, responsibilities and coordination among the six concerned ministries had yet to be defined (Huntzinger, 2007). There seems to be little understanding within Afghanistan of the immense bargaining power of such multibillion companies vis-à-vis fragile states such as the Afghan government. The ANDS has also apparently ignored the major problem, even though the team has not been explicitly mandated to look into the issue.

Without genuine accountability mechanisms, the logic of the rentier state will further exacerbate the ‘economic liberalization -before-institutionalization’ dilemma described by Roland Paris in post-war countries where the development of institutions lags behind the market demands (Paris, 2004). According to Paris, recent interventions of the post-bipolar era where liberal external actors such as the UN, the World Bank and the European institutions are dominant are characterized by a context in which rules and institutions (institutionalization) are lacking behind the political and economic liberties (liberalization) guaranteed. This has been partially true in the case of Afghanistan where external actors and their Afghan counterparts have refrained from


privatization since 2002. Lessons regarding the capture of privatization process by war elites elsewhere have at least been acknowledged. Yet, six years later, the development of state institutions is still limited and therefore the risks and opportunities for corruption are still high.

There is a risk that the dependence on external sources of finance to address needs today not only weakens the ability of the state to bargain with both international and domestic actors, but also conditions the possibilities of future and signs away future accountability of the Afghan state. Looking back at the bargaining power of the central state during 2002 and 2004, it appears that the only option left to the government was a minimalist approach of co-opting – rather than challenging – local commanders and warlords who were also the local allies in the 'war on terror'. The over-reliance of the Ministry of Finance on technical capacity provided by a USAID contractor in 2004 allowed fiscal, budgeting, currency reforms to take place, but undermined the future capacity of the Afghan ministry. The then Finance Minister and his team had little influence on decisions taken in Washington and their outcomes. Many other Afghan ministries did not even have the amount of bargaining power the Ministry of Finance does. It now appears that the accountability of the Afghan state is closely related to the way international governance has taken place. Any effort on improving governance in Afghanistan therefore should simultaneously address the negative externalities of governance practices themselves.

B) Political imperatives and competing agenda

Because any form of external intervention in a country mobilizes both external actors and domestic players, they bring to the fore their political imperatives leading often to contradictions and dilemmas towards the assumed common ends. Post-Taliban intervention in Afghanistan is a case in point as contradictions between war on terror and peacebuilding strategies left a heavy footprint on the effectiveness and accountability of the state building process.

Through external-led efforts of the war on terror, the military dimension of intervention outpaced political aspects, resulting in the imposition of a specific type of peace: a victors’ peace that in return meant accommodation into the state of those who won the war with arms. The overwhelming military success made almost obsolete any idea regarding the inclusion of the Taliban into the political process. Furthermore, the US prevented the expansion of ISAF in provinces until mid-2004 in order to avoid further obstacles on their war against the Taliban and Al-Qaeda. In return, this resulted in the empowerment of local commanders and regional warlords.

The peacebuilding efforts of the international community similarly brought with them international norms and practices often in contradiction with the aims of statebuilding. The light footprint approach of Lakhdar Brahimi genuinely sought local participation as it was based on both Afghan ‘will’, ‘consent’ and even ‘capacity’ in peace efforts. It, therefore, brought closer – somehow artificially – the model of peace operations to peacekeeping in which the role of external actors become less intrusive as advisers or arbitrators. But, external actors most often picked up their own set of Afghan ‘will’ and ‘capacity’ resulting in an adulteration of the concept. This initially happened in the Bonn Conference which acknowledged the lack of representativeness of the gathering and encouraged its enlargement through the Bonn Process. But, the outcomes have been at best mixed and the path-dependence induced initially at Bonn resulted in a ‘negative peace’ that influenced the political process until the end of the transitional period and even after.

The dominance of the security dynamic over the political process in its interplay with the adopted peacebuilding approach had significant impacts on the statebuilding efforts. First, policies of accommodation whereas non-state competitors of the state had gained considerable bargaining power led not only in reducing state effectiveness, but also in decreasing accountability of state institutions to the Afghans. In fact, the national leadership was somehow trapped in a vicious circle of unaccountable integration of warlords into the state that was self-sustaining: accommodation and obtaining public office depended on the level of threat posed by the protagonists. Those who took office on the basis of such negotiations genuinely lacked capacity and responsiveness to ordinary Afghans. Indeed, there has been rather an encouragement for taking the office on the basis of patronage networks and specific constituency as such accommodations have been justified as ‘inclusion’ and ‘representation'.
This has been the case for most of the provincial and district governors as well as police chiefs. Even recently, a UN Secretary General’s report on Afghanistan emphasized the inclusion in security institutions of more effective administrators who enjoy the confidence of the population, including tribal and religious leaders, at provincial and district levels in the face of deteriorating situation in Southern provinces (UN Secretary General, 2007, p. 17). This is the proof that such political patronage is at least acknowledged at the UN head quarters. Picking up or promoting such kind of ‘Afghan participation’ in the state-building process has not only undermined the effectiveness of the state institutions, but also its accountability. Indeed, no single Afghan now believes that such nominations can bring about more representation. They first and foremost bring bribe, corruption and nepotism as the only political resource that can be mobilized in exchange of group allegiances.

Second, delays in reforming the justice and security institutions and the disarming and disbandment processes showed that the state was not a priority compared to peace and war making. There was no strategy to reform the police services until mid-2004. The reform of high-ranking officials lagged behind other aspects of the rebuilding efforts of the Afghan National Police such as training and equipment. The electronic pay-roll of the Ministry of Interior was only set in 2007 and is still not finalized. There was no reform of the army until mid-2004 as militias were still mobilized for the war on terror. The DDR process and players limited themselves to an objective of 60,000 but had to admit that a second program would be required to complete the program following the elections. The ANDS tell us that the Disbandment of Illegal Armed Group (DIAG) will only be achieved by March 2011, almost ten years after the intervention started. The justice sector was monopolized by the patronage network of Fazel Hadi Shinwari until May 2006 when the newly elected Parliament rejected his nomination. In fact, the control of the judiciary at the hands of the conservative network of ulema and judges was the only political reward for the otherwise marginalized old-class establishment of ulema.

### Which institution do you perceive as more corrupt?

<table>
<thead>
<tr>
<th>Institution</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Independent Human Rights Commission</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
<tr>
<td>President's Office</td>
<td>1%</td>
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<tr>
<td>State enterprises</td>
<td>2%</td>
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<tr>
<td>Ministry of Health</td>
<td>2%</td>
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<tr>
<td>Ministry of Commerce</td>
<td>2%</td>
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<tr>
<td>Banks</td>
<td>2%</td>
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<tr>
<td>Parliament</td>
<td>3%</td>
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<tr>
<td>Ministry of Transport</td>
<td>3%</td>
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<tr>
<td>Ministry of Education</td>
<td>4%</td>
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<tr>
<td>MRRD</td>
<td>5%</td>
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<tr>
<td>Ministry of Higher Education</td>
<td>5%</td>
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<tr>
<td>Ministry of Water and Electricity</td>
<td>5%</td>
</tr>
<tr>
<td>Ministry of Justice</td>
<td>5%</td>
</tr>
<tr>
<td>Directorate National Security</td>
<td>7%</td>
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<tr>
<td>Ministry of Finance</td>
<td>8%</td>
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<tr>
<td>Municipalities</td>
<td>13%</td>
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<tr>
<td>Ministry of the Interior</td>
<td>14%</td>
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<tr>
<td>Courts</td>
<td>18%</td>
</tr>
</tbody>
</table>

The lead-nation approach until 2005 to what was called the Security Sector Reform (SSR) further complicated the reform process within the rule of law by bringing to the forefront its own contradictions and political imperatives. Consequently, the real problem was the one driven from external actors: a lack of coordination among different lead-nations, funding disparities among the five pillars of the SSR, the absence of a coherent strategy etc. Further, the focus on the military rather than the civilian institutions of the rule of law combined with the imperative of accommodating politics favored an enabling environment for corruption. It is no surprise then that justice and police were perceived by Afghans as the most corrupt sectors (Delesgues & Torabi, 2007a). International experience has shown that public integrity requires more than strong institutions functioning as individual pillars; additionnaly, it necessitates strong working relations among them.

Furthermore, the choice of isolating security and non-security expenses initially led to a loss of accountability because donors could not exert pressure on the Afghan government in the absence of budgetary alignment between the Law and Order Trust Fund (LOTFA) and the ARTF. As a result, the dominant free-rider behavior resulted in the evasion of donor commitment in regards to LOTFA which remained severely under-funded until the end of 2006. Delays in police salaries again provided wide justification for petty corruption in security institutions. There has been a collective commitment, however, towards LOTFA from both government and donors over the last two years. Yet a different but related problem arises from the fact that the United States pays the biggest part of security expenses. Their channeling of funds outside the core budget for ANA and ANP has certainly circumvented some bureaucratic delays of the national budget, resulting therefore in the creation of effective institutions in relatively short timeframes (Nixon, 2007, p. 22); however, it absolves the Afghan government being able to account for the rebuilding of its security institutions.

It now appears that corruption is intrinsically linked with the failure of international governance efforts. Corruption is a common and often misleading name for a variety of activities and practices. Obviously, the contradictory logics of political imperatives within peace-building, state-building and war on terror do not account for all forms of corruption. Yet, it seems that the environment of impunity, delays in reforms, loss of public accountability and selective Afghan participation, all direct outcomes of such imperatives, have contributed to one form or another of corruption. President Karzai has repeatedly condemned corruption but reluctantly recognized that petty corruption cannot be uprooted unless there is a decent salary for every civil servant.
Both petty and grand corruptions in the form of patronage have been used as political currency in post-Taliban Afghanistan in order to ease political process, please group interests, achieve ‘short-term stabilization’ or buy ‘peace’. Even anti-corruption initiatives and efforts did not escape this rationale. Consequently, the much-needed political will itself is not lacking as the dominant rhetoric suggests but is simply non-existent. The Afghan political scene has become fragmented and tattered under the corrosive effects of this emerging political currency. In this context, the recent blame game of donors and Afghan government is unhelpful and pre-empt the prospects of collective commitment.

C) Ineffective state: A failure of public sector management and aid policies

A major failure in building an effective state is rooted in the interplay of public sector management and its foreign aid policies. Technical assistance is not only a poor substitute for the reform of public administration but also paradoxically the biggest obstacle in overcoming the lack of human and institutional capacity of the state.

Public administration reform has not been a high priority of the Afghan government and the international players in the post-Taliban period. The main decision that consisted in keeping in place the old administration until the establishment of a reform policy was a default choice. The Afghan government did not reach an agreement with its international backers on drastically restructuring the civil service. The government feared popular discontent at early stages as it was still very weak.

The asymmetric Priority Reform and Restructuring (PRR) became de facto in 2004 the only credible option stimulating ‘modest, targeted incremental reform of key functions within government departments and agencies’ given the weak formal institutional environments (Hakimi, Manning, Prasad, & Prince, 2004, p. 11). But, as acknowledged by its promoters, the PRR could only be implemented in the capital and near the center from where ‘standardization’ and ‘formality’ could be conveyed and later ingrained into the behavior of civil servants (Hakimi, Manning, Prasad, & Prince, 2004, pp. 10-12). The PRR was initially a success but it later became simply a tool to increase salaries of client networks or potential supporters from USD 60 to USD 300. Symptomatic of top-down approaches, PRR weaknesses during implementation phase showed two significant gaps: first, the assumption that the good behavior and discipline could exist in the center and could be conveyed down to other layers of administration turned out to be wrong; and second, the over-reliance of reform on the administration itself while no public scrutiny mechanism was put in place whereby civil society and media could play a balancing role.

Current efforts of Public Administration Reform have focused, over the last two years, on more ambitious and comprehensive civil service reforms including pay and grading policies and vetting process. However, this raises other serious concerns such as fiscal cost and sustainability of pay structure, whether civil service reform should precede organizational restructuring itself within line ministries, how the civil servants that are not upgraded should be handled (Byrd, 2007, p. 16) and last but not least, how to ensure that the government carries out the task with some degree of accountability. Such an important reform cannot take place behind the closed doors of the Civil Service Commission. Higher level of popular support and public legitimacy will ensure greater success. At the time where any civil service reform will be eyed with further public distrust – despite high levels of public demands for such reforms because abuses have occurred in the past - public accountability will constitute the necessary accompanying ingredient.

Technical assistance (TA) is another factor that undermines the effectiveness and accountability of the state. It absorbs up to 20% of ODA to Afghanistan according to some estimates. According to the Afghan Finance Minister, TA represented USD 1.6 billion for the period of 2002 to 2006. In 2004, TA amounted to USD 460 million according to OECD/DAC estimates, e.g. 20% of total ODA to Afghanistan. The Afghan government report for OECD monitoring stated a total of USD 387 million for FY 2007 delivered by 15 donors, i.e. roughly 10% of total aid disbursed. USAID, World Bank, UN agencies and United Kingdom accounted for more than 90% of the total amount in the official estimate (OECD, 2008). However, the total amount of TA will certainly rise if development and NGO projects delivering TA are counted. There is a wide consensus that TA in Afghanistan has been fragmented and uncoordinated, unsustainable,
donor-driven and is undermining Afghan leadership. It is 'bought-in capacity' rather than capacity-building and highly expensive (Michailof, 2007). Germany, UN, UK and USAID are the donors who coordinate the least regarding their TA with the Afghan government in 2007 (OECD, 2008). Paradoxically, TA works better in strong institutional environment and is unhelpful in contexts where public institutions are weak such as in Afghanistan (Michailof, 2007). Yet, donors see this as the only alternative to spend ‘swiftly’ and what they consider ‘transparently’.

**Illustration of wages used for Technical Assistance across donor agencies.**

<table>
<thead>
<tr>
<th>Contracting agencies</th>
<th>Cost per day (USD)</th>
<th>Cost per month (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USAID</td>
<td>400 to 1000</td>
<td>9000 to 22000</td>
</tr>
<tr>
<td>DFID</td>
<td>400 to 800</td>
<td>9000 to 18000</td>
</tr>
<tr>
<td>UNDP</td>
<td>400 to 850</td>
<td>9000 to 18000</td>
</tr>
<tr>
<td>ADB</td>
<td>400 to 900</td>
<td>9000 to 20000</td>
</tr>
<tr>
<td>World Bank</td>
<td>350 to 850</td>
<td>7500 to 28000</td>
</tr>
<tr>
<td>Afghan government (Afghan expat)</td>
<td>100 to 250</td>
<td>2500 to 7500</td>
</tr>
<tr>
<td>Private Security Contractors</td>
<td>500 to 900</td>
<td>11000 to 20000</td>
</tr>
<tr>
<td>ANDS Consultants</td>
<td>150 to 750</td>
<td>3500 to 16500</td>
</tr>
<tr>
<td>Oxfam</td>
<td>200 to 300</td>
<td>4500 to 6500</td>
</tr>
</tbody>
</table>

Source: Integrity Watch estimates, including wages, benefits and risk allowances for international consultants.

TA is considered in Afghan perceptions and views as serving political objectives of donors as experts spend most of the time writing proposal and reports for those who pay them. This then is a disguised intrusiveness and as a case in public resources abuse. In fact, it is common for Afghan to see their expatriate colleagues who earn between USD 2000 to 4000 in a job in NGOs to find a similar job in TA and get three to four times more. Such experts - comprising mainly of policy advisors - are also seen to be incompetent in the sense of not applying themselves to the Afghan context. Donors who evaluate their own TA have no interest in showing their failure. During two and a half years of Ashraf Ghani’s tenure as Finance Minister, he was never asked to evaluate the performance of USAID which provided most of the TA through a private consultancy firm to his ministry (Ghani, Lockhart, & Carnahan, 2006, p. 4).

Even though the performance of the firm was substandard and resulted in diverting ‘the national managers of departments from critical reform tasks’ and in the forced departure of many consultants, the firm was awarded another contract in Afghanistan in 2005 (Ghani, Lockhart, & Carnahan, 2006, p. 7). Afghans perceive TA as a source of corruption because of high top-ups in the form of insecurity allowances that are ‘set by the same people for the same people’. Most often TA is also ‘tied aid’ as it requires that the staff hired should hold the citizenship of the donor country.

Because TA most often occurs outside of the government budget, it establishes parallel bureaucracies to the state and diverts most of the resources available for public administration. For instance, many Afghans from diaspora arrived with a contract on programs such as the Afghan Expatriate Program and then got hired by donors through TA with salaries two to three times more. Salaries classified as ‘local staff’ by the TA bureaucracies are up to five times more than the current salaries for Afghan civil servant entering the government under the Lateral Entry Program (approx. up to USD 300 per month). Even Afghans who did not have access to expatriate jobs within the state due to legal requirements such as a foreign citizenship preferred a local contract with TA bureaucracies where they could get up to USD 2000.

Outputs of TA are often donor-oriented and their wages distort the labour market

TA is self-accountable and is difficult to be hold to account

TA creates a capacity vacuum in the institutions

TA relies also on local demands to accommodate donors’ requirements for reporting and funds

However, the dominant supply-driven logic within TA provision should not mask its demand-driven aspects. Most often Afghan ministers and deputy-ministers turn to TA as they can get it more easily than the Afghan-equivalent which meant a lengthy hiring process through the Civil Service Commission and collaborating agencies. Hiring a qualified Afghan from abroad can take months while a foreign consultant can be made available in a matter of weeks. Besides, because ministries and the programs they implement still have a high proportion of bilateral funds, these international consultants are much more effective in writing proposals, obtaining
contracts and building trust with international donor agencies as they know each other and speak a common language. In return, the logic of dependency is created because the need for more international consultants for doing the paper work is maintained.

Furthermore, public frustrations are high because not only does TA with hundreds of consultants brings with it distorting effects to the life style of ordinary Afghans, but also because while hundreds of millions are wasted on hiring foreigners, Afghan graduates of Afghan universities have difficulty in getting a job. Donors point to low capacities of Afghan higher education institutions while Afghans ask for a fraction of the aid money that goes to TA to improve their universities. Ghani and Lockhart, for example, estimated that Afghanistan needed some USD 100 million in investment in higher education to replace the expensive TA, but such capacities were considered at the time as a luxury by the UN which was more concerned by its MDG objectives and preferred channeling money on primary education rather than higher education and even secondary and vocational education (Ghani & Lockhart, 2008, p. 142).

Technical assistance is the most visible part of the highly expensive semi-parallel systems of administration established by external actors in order to swiftly achieve their implementation objectives and therefore undermines the emergence or strengthening of national and local systems. One of the best examples for such type of infrastructure is the UN-subsidized airline whose costs are not public, but are estimated between USD 180 million to USD 300 million over the last six years (Ghani & Lockhart, 2008, p. 76). The UN airline that was open to UN and other international staff did not initially take on board Afghan government officials who were part of the same endeavor. The state-owned airline, Ariana, could have by now been financially robust and fully functional if half of the UN subsidy money was invested into it. But, no one seems to have paid attention to it. Ariana is currently near bankruptcy and notoriously the most corrupt enterprise in Afghanistan. Meanwhile, the UN continues appealing for more funds for its subsidized air service even though a cost recovery scheme has been established since 2007 whereby 75% of costs have been recovered from the sale of tickets during 2008.

Sources: Public price listing of the various companies June 2008

The use of private security companies by aid agencies is a similar problem, but the impact has been much worse. For instance, the contracted security of the Kabul-Kandahar road during its reconstruction prevented the disarmament of the equivalent of a whole private militia. Serious estimates put the number of armed guards who were used by the aid agencies at tens of thousands. An estimated 15 to 30 percent of aid money has been spent on security.

What is most specific about these parallel systems is that they often bring their own imported products, services and human resources. In fact, the number of jobs directly resulting from the billions spent is very limited. A recent study of the local economic impact of aid estimated that only 15% of aid used Afghan resources, if the recurrent budget of the government is excluded (Peace Dividend Trust, 2007). The impact of aid received in Afghanistan, therefore, represents less than 300,000 jobs, i.e. the equivalent of local staff of NGOs and international organizations. This is also confirmed through opinion surveys. In North East Afghanistan, only 2.5 per cent of respondents agreed last year that aid agencies created more jobs, compared to 66% who perceived a positive impact on access to drinking water, and 47% who considered an improved quality of roads, etc (Zürcher & Koehler, 2007, p. 8). A solution to the gaps between the lack of state capacities and the ‘spending imperative’ would have consisted in rapidly identifying and

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1 IRIN, 2008. AFGHANISTAN: Fund shortage may shut UN humanitarian air service, _IRIN_, June 5, 2008
developing local capacities at grassroots levels where they existed across the war (Galtung and Tisné, 2008).

D) Effective state when external actors and local actors effectively collaborated

The reconstruction process has obviously not only been a complete case of failure. Many success stories were told as a result of collaborative efforts of both Afghans and external actors. In the public sector, there were major successes in budget, treasury, fiscal and currency reforms. Strong efforts have taken place to mobilize domestic revenue. In the telecom sector, a combination of competitive private sector and government facilitations allowed increased connectivity of Afghan citizens from an estimated 2 per 1000 before the collapse of the Taliban to 140 in 2007. Primary school witnessed the return of some 6 million children even though staggering problems remain.

The National Solidarity Program set up an original model whereby ordinary Afghans became full citizens through their participation in the reconstruction efforts, mainly through small-scale rural infrastructure. As two of its original designers put, ‘the program aimed to break the vicious cycle of relations between the government and citizens, in which successive regimes had preyed on villages and used factionalism as a mechanism to entrench a type of authoritarianism’ (Ghani & Lockhart, 2008, pp. 206-207). A public-private partnership between NGOs, international organizations, donors and the Afghan government engaged them within a complex chain of accountability where trust was built. Ordinary Afghans effectively used accountability and transparency principles and mechanisms within the NSP by bringing in their own interpretations. It eventually resulted in being one of the programs with the most significant local economic impact as local material and human resources were used. For all these reasons, the NSP became one of the rare instances of accountability within contemporary Afghanistan. Not only accountability to the end beneficiaries was ensured but also accountability within the aid system was enhanced (Torabi, 2007). Yet, the NSP currently undergoes difficult times. First, the gaps in service delivery through the program called Basic Package of Health Service (BPHS). Currently, more the 85% of the population are covered for their basic health needs. BPHS has been cost-effective and has built trust among the government and the NGOs; their contribution in this sector has been remarkable over the years. The government plans to integrate health program more significantly with the community-based bodies such as the CDCs - especially for the construction of clinics and hospital through Community Committees. Such initiatives which have already born some fruit in the education sector will probably have some positive impacts in terms of beneficiary accountability and fill some of the present gaps.

Conclusion:

Past efforts of international governance in post-Taliban Afghanistan have been far from ensuring accountability as a pillar of the state-building enterprise. First, the rentier state that is weakly accountable to its people has been a direct outcome of high dependence to an external aid. The rentier state dilemma is expected to be further exacerbated by higher state revenue that the export of natural resources will bring. Second, the multiple and contradictory processes at work within externally-led intervention – peacebuilding, statebuilding, war on terror – have not favored the emergence of an accountable state. Rather, the state has been accommodating in order to serve the interests of war and peace. Third, because international governance

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1 IWA interview with a donor representative, Kabul, May 4, 2008

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constrains dominate domestic governance issues, accountability and integrity of national institutions have been overwhelmed by external problems. Fourth, most of the challenges in building an effective state have been rooted in the conjunction of poorly prioritized public sector management and aid policies whose parallel systems have undermined the effectiveness and accountability of the Afghan state. Yet, the reconstruction process of the past six years has provided for many success stories that can be replicated or relied upon for the future design of development aid.
2) CURRENT INTERNATIONAL EFFORTS

As the legacy of post-Taliban intervention has shown, international governance enterprise is not a neutral, apolitical and benevolent agenda. It has brought with it some of the contradictions, dilemmas and unavoidable paradoxes that further exacerbate governance problems in Afghanistan. If the international community wants to succeed in its intervention in Afghanistan, it should make a collective commitment to address these externally generated challenges at the same time as it deals with domestic governance issues. Building a sustainable, effective and accountable state will minimize the current domestic and international governance challenges. However this cannot be achieved in the near future. Improving the responsiveness of international governance through public participation – especially of the Afghan society and non-state institutions – is not only a feasible effort in the short to medium term, but is also a necessary ingredient for any meaningful statebuilding enterprise.

There is a general sense within the aid community in Kabul that Afghan participation has increased. This has been especially acknowledged through the development of national strategies starting with the "National Development Framework" in 2002 which has been a good start but involving only a few. "Securing Afghanistan's Future", which served as the basis for the Berlin Conference of March 2004, received wider participation from Afghan experts, but still bore the stamp of international consultants with little input from government agencies. "Interim ANDS" which served, in part, as the basis of the London Compact and the full ANDS which will serve as the basis of mutual commitments during the Paris Conference supposedly wielded wider Afghan participation as there was input from both line ministries in the capital and subnational institutions. However, when Afghan stakeholders are asked, local participation appears low. The above strategies do not indicate the content, scale and form of participation, or how local stakeholders have influenced or impacted the outcomes. As participants from Afghan civil society, international organizations and the military concluded last year in Madrid, putting an Afghan face on projects and strategies does not equate to Afghan ownership or participation1. More importantly, the so called ‘international experiences’ of local participation should not determine the role, the scope or the expected outcome of local participation in Afghanistan. ANDS, indeed, received more local participation when compared to other PRSPs around the world (Middlebrook, 2008), but post-Taliban Afghanistan does not resemble the context in those countries. Rather, participation should be defined and assessed by the Afghans themselves. It should not be seen as a requirement of governance but as a desire of the Afghan people to take part in defining their institutions and their own decisions.

A) The London Compact

With the Bonn process deemed fully achieved, the London Compact served as its successor, and heralded a shift in the international agenda from stabilization and political processes to development and statebuilding. In the eyes of many foreign observers, this represented a stronger legitimacy as not only did it receive more Afghan input from an ‘elected government’ (Middlebrook & Miller, 2006, p. 1), but also it provided for a ‘real framework’ with ‘concrete benchmarks’, thus providing for a roadmap for the much needed development and aid effectiveness (Middlebrook, 2008). Yet, most of the benchmarks proved difficult to achieve two years later.

From the perspective of bottom-up accountability, it is not clear whether the Compact constituted further progress compared to the Bonn Process. The origins of the Compact and the I-ANDS on which it rested are to be found in ‘a donor initiative combined with Afghanistan’s involvement in the Millennium Development Goal (MDG) process’ (Nixon, 2007, p. 26). Initially, the I-ANDS was required for the development of the Poverty Reduction Strategy Paper (PRSP), which itself is a requirement of the World Bank for countries to be qualified for Highly Indebted

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Poor Countries (HIPC). The Compact, itself, refers to the ‘Afghanistan Millennium Development Goals Country Report 2005, Vision 2020’ which has been and still remains a widely unknown document in the country. Further, even though the Compact enjoyed the legitimacy of having an elected counterpart behind it, no candidate utilized any of the main priorities set out in the Compact or the MDG benchmarks in their campaigns. There was no public discussion or mobilization preceding the Compact. One can even make the case that while the milestones of the Bonn process highly rested on people’s participation and evaluation, the benchmarks of the Compact instead reduced the judgment capacity of the ordinary Afghans as it relied on complicated tools that only the donors and international organizations could possibly provide. Further, the rationale of external actors to government negotiation is best stated by the words of the former US ambassador who held office in Kabul at the time: ‘those of us who were deeply involved in negotiating the compact never expected that the benchmarks would be easily met. […] Rather, we viewed the benchmarks as political levers for the future. Because they represent international and Afghan government commitments, each one can be used to leverage the necessary decisions.’ (Neumann, 2008, p. 5)

More generally, dissociating the Bonn and Compact processes would not do justice to the intertwined nature of realities. The London Compact inherited from the Bonn process many challenges, institutional designs and frameworks. Most of the benchmarks in the security sector were set, for instance, during the Bonn process or by international commitments made at that time. This was the case for the number of soldiers in the army (70,000) and the police (62,000) or their profile (‘ethnic-balanced’ and ‘professional’). Counter-narcotics and demining targets were set in line with MDGs and the Ottawa Convention and serve as other examples where no real Afghan input was seen. The growth model based on a market economy and private sector dominance where the state serves as a regulator was present in the January 2002 statement of Karzai in Tokyo to the London gathering. All three pillars (security, governance and development) borrowed from previous documents such the NDF and SAF. Consequently, the utility of the Compact was not in the content it proposed nor in downward accountability, but in its legitimization effects, in raising international support and commitment for Afghanistan and in a promise of aid effectiveness and in an expected increase in dual accountability.

With respect to corruption control, the Compact failed to recognize the deficiencies in the documents it used to justify its commitments. While, in principle, the Compact cosignatories committed to ‘combat corruption and ensure public transparency and accountability’, when it came to the actual benchmark, they referred to the ratification of the UN Convention Against Corruption (UNCAC) – a text which itself recognizes its need to be adapted through complementary legislature for specific contexts – and the establishment of a vague monitoring mechanism that would oversee the implementation. As a close observer of the process, Integrity Watch witnessed that none of the anti-corruption work underway in the I-ANDS secretariat at the time was translated into the Compact. Insiders at the gathering later suggested that such language was the outcome of difficult diplomatic negotiations and were not related to realities on the ground.

Most importantly, the Compact reflects recent international endeavors where the means are inadequate or insufficient for the ends (Chesterman, 2003; Krasner, 2004). As it now appears in the ANDS document, the Compact was an ambitious reform agenda that could only be implemented by effective state and strong public institutions, both of which constitute the very aim of the international community and their Afghan counterparts in London. Unfortunately, the continued weakness of the Afghan state makes it an inadequate partner who will be ultimately dominated by donor agendas and priorities. Consequently, there is a strong likelihood that the ambitious agenda will be implemented in a fragmented, uncoordinated and unbalanced way. Secondly, any ambitious reform in electoral democracies needs to be legitimized through popular vote and be backed by a strong constituency. People’s commitment and participation is the only way to make that ambitious program happen. If not, either the reform will provoke popular revolts as has occurred in the past with previous reformist regimes – the communist governments of Daoud Khan or of Ammanullah Khan – or it will be maintained artificially as long as there are external resources to sustain it. As Ghani and Lockhart concluded, the missing link in today’s international compacts is the contract that ensures mutual commitments in terms of rights and obligations between citizens and their governments. As a result, they advocated for a model of double compact where, besides the recipient government and its international supporters committing to account to each other, the government and its citizens engaged in
building an accountable and people-centered state. Such an effort will certainly raise the bargaining power of the recipient government.

B) Paris Declaration, Aid Effectiveness and OECD Monitoring

The Paris Declaration on aid harmonization and effectiveness is evidence of remarkable progress from the situation a couple of years ago where no international measures existed through which recipients and donors could commonly commit to account for the delivery of aid. It has benefited from strong legitimacy in Afghanistan as the Afghan government has used it as an effective tool to influence the aid system and channel increasing amounts of aid money through the budget. For most of the donors in Afghanistan, adhering to the principles of the Paris Declaration has been an effective tool to mitigate some of the harsh criticism regarding the use of aid. Unsurprisingly, the Paris Declaration became an important element of the London Compact and the ensuing ANDS. This is obvious, for instance, through the increased significance of the OECD monitoring – which also involves the Afghan government through the Finance Ministry – that is now the main tool for measuring aid effectiveness as defined in the international document. Yet, the implied government-donor relationship reveals its limitations. The Paris Declaration and its monitoring tools for assessing aid effectiveness do not take into account the end beneficiaries. They therefore are not people-centered and beneficiary-oriented. They are not interested in any form of accountability towards the populations in whose name expenses are made.

The Paris Declaration includes the following five principles: ownership by the recipient country; alignment of aid on national priorities, budget and management mechanisms; harmonization through the use of common programs and frameworks as well as common analytic knowledge; assessing results through common targets; and finally, donors and the recipient government being mutually accountable to one other. The OECD monitoring evaluates these against some 15 indicators or sub-indicators. Below is a comparison on progress made on each indicator over the last two years. Preferably, these indicators should be assessed against targets set for a specific timeframe and evaluated from a baseline. However, the Afghan government, in accordance with the Paris Declaration, has only set targets for 9 indicators by 2010 and many of them are not quantifiable. For instance, to say that more than 44% of aid should be untied when the baseline of 2005 is 44% is another way of saying ‘we should do better’, i.e. a non-target.

A basic overview of the evolution over the last two years suggests that, while the national management and strategy has progressed, donors do not use national management mechanisms or common arrangements. This happens despite increased shared knowledge production and increased use of aid for national priorities. Gaps in the capacity to execute development budget on the part of the Afghan government partially explains these short fallings. However, it appears that considerable levels of perceived and real corruption have discouraged donors to use national financial management and procurement systems. Yet, the OECD monitoring still labels these national systems as ‘reliable’ even though donors have lost trust in them. This is because the monitoring indicators rely on more objective measures rather than donors’ perceptions and does not directly include corruption control. This partially explains also why mutual accountability has not worked in a context where both donors and the recipient government have become distrustful of each other. The Paris Conference, therefore, will offer an excellent opportunity to put these issues on the table and engage in a frank debate.
Paris declaration indicators

Ownership

Country ownership has progressed through the ANDS process since 2006 when the only national strategy was the i-ANDS and the Medium Term Fiscal Framework was not fully linked with the overall strategy. However, the ANDS was not approved until April 2008, with its costing and prioritization started only in early 2008 and a full integration into the national budget planned for early 2009.

Alignment

Reliable country management systems are essential for alignment of aid into national development priorities and budget. Afghanistan has made remarkable progress on its financial management system. However, even though some progress has been achieved on procurement system, especially on the legal framework, the country still lacks the capacity, the institutional framework and the information system with a working procurement system only available in October 2008. Further, alignment is measured by the credibility of the national development budget as assessed on the basis of the ratio of aid disbursed by donors compared to planned budget. TA is a measure of capacity by coordinated support. The use of country financial management and procurement systems by donors has dramatically fallen short despite significant progress on both. This is largely due to lack of trust and high levels of parallelism and affective corruption within government agencies. Data show that the number of parallel units (PU) has decreased from 28 in 2005 to 19 in 2007. Yet, this should be considered with caution as donors define what PU is. Increased predictability of aid is calculated as the ratio of disbursements actually recorded by the government compared to scheduled disbursement. Aid to Afghanistan is still significantly tied (estimated 50%), with many donors procuring imported goods and their own labor force rather than hire local workers.

Harmonization

Harmonization is associated through the use of common arrangements and programs such as the multilateral funds like the ARTF or national programs like the NSP. The drastic reduction for this indicator is explained by the absence of a development strategy as ANDS was under preparation and the lack of sector strategies. However, joint analytic work and mission have increased.

Managing for results

Managing for results requires a monitorable performance and assessment framework which itself relies on credible baseline data, both of which have not yet to be established.

Mutual accountability

Following the London Compact, the Joint Coordination and Monitoring Board (JCMC) composed of Afghan government and donors was entrusted to take the responsibility for mutual assessment of progress. But, the JCMBC lacked

Legend:
- IWA is concern for the evolution of this indicator
- N.A: Not Applicable
- * Based on FY 2005

Another important evolution in the aid patterns in Afghanistan is the increased commitment of liberal western donors while both the number and the contribution of other donors have considerably decreased. In 2002, there were more than 60 donors in Afghanistan. Iran emerged as the most important pledging donor in the Tokyo conference as it offered more than USD 256 million for Afghanistan’s reconstruction – even though this later included debt cancelling. Muslim countries, including neighboring Pakistan, were important contributors and this continued until 2004 when the Ministry of Finance coordinated the contributions of more than 45 significant donors (Ghani, Lockhart, & Carnahan, 2006). However, in 2007, Turkey was the only Muslim donor accounted for among the 24 donors listed by the government who provided more than 98% of total aid. As one donor representative recently stated, the Afghan leadership is fully aware of this evolution and its effects in terms of legitimacy of aid1. It, therefore, seeks to secure more commitment from Muslim countries during the Paris Conference, especially from the natural resource rich countries of the Arab-Persian Gulf. This was further confirmed during Karzai’s visit to Sharm-al-Sheikh in May 2008 where he sought more support from Egypt and Jordan2. Further, Karzai encouraged more private investments from Saudi Arabia and Kuwait.

Donor behavior in terms of accountability to the recipient government fall into three separate groups: USAID which accounts for 44% of total aid disbursed in 2007 is the only absolute self-accountable donor. USAID does not channel funds through government and does not use it according to governmental priorities, is responsible for the biggest part of the uncoordinated technical assistance, does not use national management systems, programs or multilateral arrangements and is not even interested in producing common analysis with the recipient government. Though, a few exceptions such as its adhering to the BPHS in the health sector exist. The second group is composed of omni-accountable donors that not only align their aid, but also harmonize through shared knowledge and multilateral arrangements. These account for 22% of the disbursed aid and include the World Bank, ADB, EC and some governments such as Belgium and Denmark. The third group constitutes a middle ground and make up the remaining 44% of disbursed aid. Donors in this category fail either in alignment or in harmonization or partially in both. The UN, UK, Australia, Canada, Germany, France, Italy, Finland and Turkey are among the least aligned donors. Japan, Korea, Netherland, Spain and SDC are among the least harmonizable, i.e. do not coordinate missions and analytic work.

There are many dimensions of aid effectiveness and accountability that the OECD monitoring does not capture. Chiefly among those are the high disparities in received aid among provinces which probably have little impact on aid effectiveness defined as alignment and harmonization at the level of national aggregates but certainly has considerable effects on aid accountability towards the end beneficiaries. Last year, per capita aid in Kabul province exceeded USD 600 and in Nimroz, Helmand and Farah provinces exceeded more than USD 450, 400 and 250, respectively. Meanwhile, many provinces such as Kunduz, Ghazni, Logar, Sar-i-Pul, Wardak and Ghor received roughly USD 50 per capita (Waldman, 2008). PRTs and politically motivated allocation by donors who have the military lead in a province account for the biggest part of such disparities. For instance, USAID allocated more than 50% of its aid in 2006 in four southern provinces where the US military fought the Taliban. DFID gave one-fifth of its funding to Helmand province3 and Canada has accelerated its spending in Kandahar over the last year. Such political imperatives at sub-national level certainly constrain donors’ buy-in into a national strategy such as the ANDS. Yet, to our knowledge, the government has not set any mechanism to evaluate the effects of provincial disparities and develop mitigating measures. Clearly, this shows the crucial role of civil society organizations in the monitoring of aid, especially those who work on budget literacy at the national level, to pinpoint such disparities and quickly identify the unmet needs in each province during the upcoming ANDS implementation.

A second element concerning OECD monitoring is that figures and percentages derived by the set indicators are not meaningful indicators of aid effectiveness. For example, USAID represented 40% of aid in Afghanistan in 2007, but its uncoordinated country analysis (ind. 10b) and missions (ind. 10a) represented 25% and 8%, respectively of the uncoordinated production

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1 IWA interview, with a donor representative, Kabul May 4, 2008
of analytic knowledge. Percentages in both indicators therefore underestimate the reality of aid. Indeed, six donors representing 85% of coordinated missions in 2007 accounted for only 25% of total aid disbursed. A bigger surprise arises when we compare the financial volumes concerned by 2006 and 2008 surveys. The total aid provided by the four donors in 2005 (Turkey, Sweden, UN, WB) who significantly coordinated their country analysis (accounting for more than 90% of this indicator) constitutes 29% of the aid disbursed during that year. The total aid provided by the three donors in 2007 (WB, UN and UK) which accounted for more than 90% of coordinated country analysis is 18% of the total aid disbursed. Although the OECD surveys show a positive evolution of 7% for this indicator, estimates of the financial volumes at stake show a decrease of 11%.

Moreover, the cost-effectiveness of aid delivered varies from one agency to another. As Ashraf Ghani estimated, 8 dollars in aid delivered by USAID was equivalent to 1 dollar in aid implemented by the Afghan government or even NGOs as was the case for the construction cost of schools and clinics. A higher percentage of USAID funding that is not aligned and harmonized, therefore, is not as effective as what the OECD percentages tell us. A better indicator is the comparative cost of each donor agency for the same tasks, such as for instance the cost per kilometer of road constructed. As the table below shows, the cost per kilometer of the main sections of the Ring-Road varied depending on the donor.

![Disparities in the main roads construction costs](image)

Finally, OECD aid effectiveness posits a one-way positive assumption about aid. It looks into the effectiveness achieved. It therefore does not question the negative impacts of unaligned, unharmonized and unaccountable aid. Looking into the progress and the positive effectiveness achieved never reveals the harmful effects of aid. It is simply impossible to make any conclusions from OECD aid effectiveness in terms of aid impact on poverty reduction, growth, human development, state effectiveness or reduced fragility of the state. For example, the good effects of coordinated technical assistance should be compared against the negative externalities that uncoordinated TA generates for the Afghan state’s effectiveness and legitimacy. As it now appears, not only has the TA undermined the Afghan state’s capacity (substandard performance by contractors generating more difficulties for national managers and...
ministers, dual bureaucracies depriving the state from human resources), but also its legitimacy (luxurious life style creating local frustrations, affecting perceptions of sovereignty as foreign advisers make decisions, waste and perceived corruption of aid provided to the country).

C) ANDS, Aid Effectiveness and Accountability

In a sense, the ANDS offered the Afghan leadership an opportunity to put forth a broader context of aid effectiveness and set conditions for aid which would result in the reduction of poverty. A recent document on aid policy by the Afghan government about ‘the local perspectives of what is effective aid’ closely defines it in terms of its impact: progress on the rate of poverty reduction and social indicators, speed and quality of implementation, amount of aid spent in the Afghan economy, improvements in the security situation (Islamic Republic of Afghanistan, 2008c). However, the success of such a policy is not guaranteed. First, the link between these well-intentioned policy objectives and aid effectiveness are far from obvious, notably because the current micro-level implementation of aid in terms of projects has yet to be linked with macro-level impacts on growth, development or poverty reduction. Second, as the Compact experience has shown, any collective effort by donors who consider themselves as sovereign states will have to go through a path of diplomatic compromises and negotiations whose outcome will not resemble the initial text. The current setting of the JCMB which itself, in theory, is a tool for aid effectiveness is another example of this difficult task. The JCMB was established with too many members to be an effective decision making mechanism. The reason for this was that many governments wanted to be part of it and there was no international consensus on who should be included. As a result, the JCMB included many governments in order to reduce distrust and frictions among competing states (such as India and Pakistan) and between individual states and the Afghan government (Neumann, 2008, p. 19). For all these reasons, and because the ANDS itself lacks an articulated implementation to monitoring structure, there is little chance that donors will commit themselves in any meaningful manner towards impact-oriented aid effectiveness.

The text of the ANDS leaves some mixed feelings in regards to corruption control, accountability and governance. The document makes significant progress towards public accountability when it states that ‘the public will have greater access and rights to publicly held information’. This is a constitutional right in Afghanistan, but has yet to be enhanced through further legislation. The reform of the public administration and the civil service including adequate salaries and incentives for civil servants will certainly constitute another major achievement towards an effective state. Yet, the text is not well developed on the issue of corruption control. The analysis of corruption mainly focuses on its ‘perceived high level’ (Islamic Republic of Afghanistan, 2008b, p. 15), although the impact of corruption, its experiences by state customers and the subsequent financial losses to both state and citizens have now been sufficiently documented1. The text further refers to the anti-corruption strategy to be released by the head of the Supreme Court and a roadmap that has been adopted but which is not publicly known. ANDS, therefore, fails to set precise objectives and targets. This is perhaps why the text often vaguely refers to corruption being ‘significantly reduced’, ‘clear progress’ being achieved or ‘measures implemented’. The absence of any measure or indicator on corruption control will certainly be a major obstacle in agreeing on concrete mutual commitments during the Paris Conference.

Further, the ANDS emphasizes the ‘Government’s accountability to the Afghan people with regard to the expenditure of aid money’ through strengthening current efforts within the MoF to develop the Public Expenditure Financial Accountability. These efforts include deepened linkages between the ANDS and medium term budget and fiscal frameworks, enhanced ‘budget literacy’ of citizens and civil society organizations, improved downward accountability in the context of decentralized service delivery, regular reporting to the National Assembly, increased accountability of local government to civil society organizations etc (Islamic Republic of Afghanistan, 2008a, p. 158). If implemented, these efforts will constitute major and unique steps towards the accountability of aid to citizens. There is a risk, however, that the current over-

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1 GIAAC established the financial loss for the state in 2007 to amount to more than USD 60 million. Integrity Watch Afghanistan showed that citizens paid between 250 to 300 millions in bribe each year (cf. Delesgues & Torabi, Afghan Perceptions of Corruption: A Survey Across Thirteen Provinces, 2007a).
centralization of the budget by the MoF – especially when it comes to the decision to transfer the expenditure oversight role of the Control and Audit Office to the MoF until its capacity is strengthened (Islamic Republic of Afghanistan, 2008b, p. 28) – negatively affect the necessary checks and balances that would ensure the accountability within the state. Indeed, the MoF may be a case of conflict of interest as it is the agency responsible for collecting aid and revenue and distributing them and also has an oversight role over all government agencies, including itself, while at the same time acts as a policy implementer.

The ANDS as a process that might have increased the accountability to citizens has yet to be established. The ANDS report and press releases have widely disseminated the idea that this has been the most comprehensive consultation process, ‘the only process of its kind in the history of the country [that] provided an opportunity for the people to identify their needs and prioritize their requirements’. It was not clear to us, however, how consultations with 10000 people led to ‘the formulation of 18,500 village based development plans’ (Islamic Republic of Afghanistan, 2008a, p. 19). Less than one third of Afghans we interviewed in 18 provinces in May 2008, one month after the ANDS was approved by the President and two years after the process started, were actually aware of the existence of the ANDS. The educated people, female respondents and the urban inhabitants were the most familiar with ANDS. Badghis, Balkh, Ghazni, Ghor, Herat, Kabul and Sar-i-Pul were the least informed provinces. Further, it appears that the fact that the media ‘actively reported’ on ANDS has been considered as ‘consultation of the media’. Finally, there is no mention of the categories of private sector representatives consulted in the text. As Qurban Haqjo, representative of the Afghanistan Chamber of Commerce and Industries (ACCI), stated in one of the international forums organized in preparation of the Paris Conference on May 24, 2008 in Paris, the ACCI was never consulted through the ANDS process although it represents thousands of Afghan enterprises. The text itself was made public only three weeks before the Paris Conference on May 24, 2008. Only the executive summary has been available in national languages at this stage.

As we further explore the text, it appears that the notions of participation that are envisaged are quite problematic. The ANDS itself defines participation as ‘the process by which stakeholders influence and share control over priority setting, policymaking, resource allocations, and/or program implementation’ (Islamic Republic of Afghanistan, 2008a, p. 17). Such influence and control over decision making in practice is proportionate to the roles, responsibilities and powers of the stakeholders even though ideally they should be proportionate to the extent that each stakeholder is affected by them. Such participation therefore is non-existent in parts of the ANDS. For instance, all targets in pillar one on security simply build on previous efforts – and even justifies them through such arguments – that these targets were among the consensus achieved between Afghanistan and its international supporters during the Bonn process and the Compact process. It is quite obvious that given the present dependence on external resources, it hardly makes sense to modify the targets set for the national army and police on the basis of the people’s will or participation.

In fact, the ANDS process did not succeed in overcoming the main constraint any such exercise faces: building consensus through public debate amongst the different stakeholders. As Peter Middlebrook, one of the lead consultants involved in the process, stated, ‘given the often fractious nature of both international and national interests involved in the ANDS process, the national strategy has had to accommodate a wide variety of views and interests, often leading to the emergence of somewhat benign narratives’ (Middlebrook, 2008, p. 3). Such a narrative can hardly be named a national strategy. As Middlebrook later noted, ‘one of the many impacts of such broad-based accommodation is that to date everything has been made de facto an almost equal priority, to accommodate each set of unique interests’ (Middelbrook, 2008, p. 3). The problem with such de facto prioritization is that only the powerful stakeholders may set national priorities while they are the least affected by the outcome of such agenda setting. The Afghan government is thus one actor in competition among many, including donors, international military, regional states, multilateral agencies, international NGOs and coordinating bodies such as ACBAR, ACSF etc.

Nothing more than the poverty diagnosis consultations can best describe the way the voiceless stakeholders are heard in this process. The ‘big tent’ policy text says that ‘the Government’s participatory approach to poverty diagnostics involved enabling poor communities and their

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1. ANDS Secretariat, Press Release, Approval of ANDS by the President, May 18, 2008
institutions to participate effectively in defining, analyzing and monitoring poverty as they experience it’ (Islamic Republic of Afghanistan, 2008a, p. 20). Through this, it appears that not only are the poor socially organized in the form of communities, but they have their own institutions which allow them to monitor poverty. If any category of population could benefit from such social capital and political power, they could not have been labeled as ‘the poor’. Such disconnected talk when speaking of the poor is not participation. It is simply ignoring their realities.

Furthermore, because consultation itself is a very limited form of participation, the ANDS has consequently been a relatively limited participatory process. In fact, the ANDS did not engage in a national debate over priorities. Even though individual MPs were consulted and may be part of the Paris Conference, the Parliament did not vote on ANDS, nor did it discuss any of its components. There was limited prioritization and sequencing as the strategy was defined. Had this been done, the result would have been other forms of social and political mobilization leading to input that is more influenced by compromises, negotiations and bargaining among the Afghans. The very goal of national consultations to ‘build consensus around government vision’ reflects a top-down approach where the inputs from social and political forces are relatively limited. Yet, any national consensus has to be obtained through national debate and as a result of interaction with national contesters. France’s equivalent of ANDS which committed the country to reforms for the upcoming five years was defined over 18 months before the presidential and legislative elections and as a result of highly intense contests. It was defined in constant interaction with the public and incorporated their concerns, their fears and their wishes. As a result, its implementation has not been smooth at all and has to contend with existing social and political forces.

Gaps in prioritization, costing and sequencing will also negatively affect aid effectiveness. The current strategy’s ‘open list’ is an incentive for donors to easily follow their own priorities and political imperatives, therefore resulting in a disparity of resources and a de facto prioritization which will follow the trends and frequency of disbursements for different activities as has been the case over the last couple of years (Byrd, 2007, p. 18). A de facto prioritization that is not based on the delivery capacities of the nascent Afghan state will negatively impact their effectiveness and their potential may not be fully used. At the same time, it will also result in parallel implementations structures, a higher waste in TA, and increase in foreign contractors and so on because donors will follow their spending imperatives. Besides, mutual accountability and results-based assessment will not be achieved with many of the targets – which are simply impossible to monitor – within the ANDS.

Finally, it is not clear how an ex-post prioritization of ANDS will improve its accountability to Afghan citizens and its condition as a nationally defined strategy. Now that the cards have been played, one of the strong suggestions comes in the following manner: ‘if six major donors contribute 90 per cent of all resources to Afghanistan, and if security, education, health, transport, PAR/PFM and rural development dominate 90 per cent of public spending, rationalization and prioritization around these core objectives alone will be likely to deliver a far more cohesive, focused and monitorable response’ (Middlebrook, 2008). There are a few problems with this, however. First, it will probably strengthen the power of these six donors. As a result, the dependence of the Afghan government will certainly increase. Second, it goes counter to the desire of the Afghan government who wanted to build a broader ‘international community’ around support to Afghanistan that does not stem from liberal Western states or organizations alone, so that perceptions of an imperialistic intervention are mitigated. Finally, prioritization along these six themes and six donors will only reflect the dominant views and the external-led agenda. For instance, despite tremendous demands and expectations of citizens inside Afghanistan, higher education may be a luxury in an international environment where the dominant norms of MDGs promoted by the UN will push for primary education as the main goal. Similarly, the strong focus on agriculture and rural development in the context of failing counternarcotics has already heralded that urban vulnerabilities and poverty reduction in the urban environment may not be an issue.

D) The Paris Conference

The Paris Conference should be seen as an opportunity, another milestone in rectifying what has not been achieved through ANDS. Our criticisms of ANDS should not be used as an
argument for more of the same aid. Rather, Afghan citizens should be allowed another choice than either an ANDS that is too accommodating to make any difference in current practices of aid or its simple rejection by some donors who do not offer any other alternative, as a UN high official in Kabul criticized. More of the same bad aid is not an option.

The French and Afghan governments have launched a series of pre-conferences in preparation of the upcoming June conference. These are most welcome from our perspective of public accountability as they bring into discussion some of the public expectations and concerns as expressed by civil society or between the government and donors. They also encourage donors to take positions, responding to these concerns and formulating their own demands. For instance, the Donor Coordination Forum of April 21, 2008 in Kabul allowed the acknowledgment of many important issues by Henrietta H. Fore, the administrator of USAID. These included the importance of the ANDS, the Afghan leadership, Afghanization of aid in the form of increased local economic impact, more Afghan jobs and more demand-driven assistance, and finally, aid effectiveness. USAID expected ‘in return a real improvement in oversight and accountability, in corruption outcomes, in demonstrated capacity for contracting and procurement, and in legal and financial management competencies, or a credible plan to achieve them’.

The Civil Society and Private Sector International Forum in Support of Afghanistan that took place in Paris on May 24, 2008 had a similar objective. Different Afghan and international voices have been heard and there are some hopes that some of the recommendations that came out will make a difference in the upcoming negotiations. There are, however, a few concerns with the forum. First, the invitation process was not transparent and went through some hidden bargaining between UNAMA and the host government which resulted in the inclusion of some and the exclusion of others. There was a sense, within the Afghan civil society representatives we met in Paris, that it was a tight selection process. The Civil Society and Human Rights Network, an umbrella to some 60 Afghan organizations, criticized the forum for lacking to be representative and the selected participants to be politically oriented. The participants to the forum, indeed, were mainly composed of representatives of from international NGOs and UN agencies who accounted for two thirds of participants. This was, however, a predictable outcome for a conference held in the middle of Europe. Participants from Afghan civil society, including the media, represented one sixth of the forum. Many Afghans felt overwhelmed by the lobbying power of these powerful international NGOs as they pushed most often for their own agendas.

Second, the lack of coherence in the choices of interventions and external actors negatively affected the debate. For instance, three of the four interventions in the panel on aid effectiveness either were not about the subject or hardly discussed it. It finally appeared that one of these which specifically treated the question of the returnees and repatriation was externally imposed, in the words of the organizers, in order to keep the issue on the agenda of donors. The recommendations’ drafting process was marred by other lobbies as some NGOs insisted on safeguarding the level of funding to NGOs, something that was not discussed during the panel debates on aid effectiveness. Finally, even though a variety of views were expressed during the debates, putting the accent on many issues that the ANDS may have ignored, it was not sure how much these reflected the expectations and concerns of the Afghans.

Corruption was not put on the agenda in these pre-conferences although it is closely related to aid effectiveness and accountability. It rather came as part of spontaneous discussions. However, donor representatives in Kabul recently indicated that corruption will be discussed during the Paris Conference as conditionality for promises of more aid to the Afghan government. Bernard Kouchner, French Minister of Foreign Affairs, himself repeatedly, through the media, linked international efforts to a reduction of corruption and better governance. But, it is not clear whether the poorly pledged aid – aid channelled directly by donors themselves rather than the Afghan government – is more effective than the current modalities of aid or the

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1 Integrity Watch interview, Kabul, 27 April, 2008
promises of good aid. Further, no discussion has taken place on the issue of privatization which the government plans to carry out in the next three years and the exploitation of mines by foreign or private companies. Both domains represent important risks of grand corruption. Debates over accountability and corruption control during the Paris Conference should not avoid these important elements.

Through our opinion survey of Afghans in 18 provinces, Afghan expectations are high although less than one third of respondents stated they were informed of the upcoming Paris Conference, with men corresponding to 60% of those informed. The overwhelming majority of respondents considered that such conferences helped Afghan voices to be heard. Further, respondents expected higher Afghan ownership of the aid process. 97% of those interviewed stated that Afghans must tell donors how the aid money should be spent. A strong Afghan leadership of aid is as well recognized as two third of respondents said it was determining aid expenditure. Those who said the Afghans were not leading aid expenditure often cited the UN, the US, the World Bank or international community in general. Finally, a majority of Afghans (79%) consider that the Afghan government should commit itself to the international community in exchange for aid.

Despite enormous Afghan expectations and initiatives by the French and Afghan governments, as well as UNAMA, to integrate more voices from civil society, the Paris Conference and ensuing Compact structurally will remain state-centric, will follow the logic of donor-to-government negotiations and will be influenced by the rules of secret diplomacy. At least a slight effort on the part of organizers in order to increase the public accountability of the Conference would have been, as Integrity Watch suggested, the introduction of the Afghan TVs cameras into some of the debates or behind the scenes of the Conference to capture the complexity of those negotiations for the Afghan public. A first step towards improvement, therefore, will consist in acknowledging its inherent limitations and plan for more public accountability that needs to be integrated in the Compact roadmap.

Conclusions:

Current efforts of international governance have had some mixed results. First, the London Compact, while allowing a path for engagement between the Afghan government and the international community in the post-Bonn process era, has hardly made any progress on the accountability towards the Afghan citizens. The language on anti-corruption commitments, for instance, reflects the logic of behind the door diplomatic negotiations in which ordinary Afghans had little say. Second, the Paris Declaration and its monitoring by OECD constitute some progress as it allows the Afghan government and its international partners to engage in a discussion on mutual accountability. Yet, as a tool, it has not significantly improved the aid effectiveness. Further, percentages and figures within OECD monitoring indicators do not tell us much about the reality of aid. They even allowed underestimating of aid-effectiveness. Third, the text of the ANDS expresses interesting elements for increased accountability of the state towards its citizens. ANDS has further enhanced the Afghan leadership position vis-à-vis its international partners. However, whether ANDS has increased participation and accountability towards citizens has yet to be established. The biggest challenge, however, is that the ANDS is too large of a narrative to be called an effective strategy. Any ex post prioritization – currently underway – in a tight timeline, therefore, will reflect the position of the dominant actors within such a process. Finally, even though this report critically viewed the Afghan participation to pre-conferences in preparation of the June Conference so far, there is a feeling that more input from civil society will be integrated to the limited play of diplomacy. Further, Afghan public expectations have been set high for international conferences such as the one in Paris.
3) BRINGING PUBLIC ACCOUNTABILITY BACK IN: FROM SUBJECTS OF AID TO CITIZENS OF THE STATE

A) Public perception of aid and its delivery

Strictly assessed from the perspective of transparency, accountability and integrity, public perceptions of aid delivery and its deliverers are partially positive at best. Through an opinion survey we conducted in 18 provinces in May 2008, 64% of respondents considered that the aid was marred by some form of corruption. Among those who considered aid to be corrupt, a majority (60%) considered that more than 40% of aid has been wasted through corruption. However, in the context of highly publicized corruption of the Afghan state, the government as an aid administrator unsurprisingly was considered by two third of respondents as the most affected by corruption. NGOs and international organizations came second with only 13% while private companies and PRTs fall far behind with 8 % and 5 % respectively. Finally, only 10% of respondents trusted the aid community to rectify its corrupt practices, if any.

Public perceptions of corruption within the NGO sector have showed that 50% of respondents perceived some form of corruption within international and Afghan NGOs (Bohlinger & Delesgues, 2008). 41% of respondents said more than 25% of aid that goes through NGOs was wasted through corruption. This was further reflected in hiring and procurement policies of NGOs. 52% of respondents, for instance, agreed that NGO procurements were fair and efficient against 35% who disagreed. However, only 30% of respondents stated that international NGOs followed fair hiring procedures against 41% who said they did not.

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1 This section will relay on two surveys conducted by IWA on very similar themes: measuring the Afghan perceptions of aid. The first survey was conducted in August 2007 with a sample of 3000 persons in 18 provinces and the second survey was conducted in May 2008 on the same 18 provinces on a sample of 1000 persons. Both samples are representative of the Afghan population for gender, ethnicity and place of life. See annex for more details.
Aid was widely perceived to have been spent by the Afghan government, NGOs and international organizations. One respondent in three said the Afghan government spent most of the aid money. A same number believed this was the case for NGOs and International Organizations as the main driver of spending while illiterate and female respondents tended to see the government as the main implementer. There was no difference in perceptions regardless of the place of living. There were, however, significant variations across provinces. Only 11 and 17 percent of respondents stated that the private companies and the PRTs respectively spent most of the money (cf. graph below). 82% of respondents expressed a desire to see the involvement of PRTs in development work irrespective of their level of education and place of living. Only in Kandahar and Wardak, this desire was less strong.

Source: IWA Survey of August 2007

Source: IWA Survey of May 2008
Further, respondents in 2007 considered local councils and national government as the most effective in aid delivery compared to donors and NGOs. However, respondents in 2008 survey acknowledged that the NGOs implemented the biggest part of projects in their area since the collapse of Taliban. This reflects the important coverage by NGOs in terms of projects implemented in provinces. Interestingly, CDCs were rated second (see. graph below), followed by the PRTs. The government arrived in fourth position, probably because NGOs and CDCs are rated as the end implementers for the programs implemented through a public-private partnership such as the NSP. Finally, private companies that count for more than one third of the total aid were only considered by 5% of respondents as those who implemented projects.

Who has implemented most projects in your area?

<table>
<thead>
<tr>
<th>Organization</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGOs</td>
<td>22%</td>
</tr>
<tr>
<td>CDC</td>
<td>19%</td>
</tr>
<tr>
<td>PRTs, Foreign Military Forces</td>
<td>16%</td>
</tr>
<tr>
<td>The GOA</td>
<td>13%</td>
</tr>
<tr>
<td>Others</td>
<td>8%</td>
</tr>
<tr>
<td>Private companies</td>
<td>5%</td>
</tr>
<tr>
<td>I don’t know</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: IWA Survey of May 2008

However, respondents in 2007 put NGOs only in fourth position in regards to their effectiveness. Local councils and national government were considered the most effective. Local government was not really perceived effective probably because of higher level of corruption and low level of service delivery capacity.

Which group is more effective in distributing aid in Afghanistan?

<table>
<thead>
<tr>
<th>Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local councils</td>
<td>25%</td>
</tr>
<tr>
<td>The nat’l gov’t</td>
<td>22%</td>
</tr>
<tr>
<td>Foreign gov’ts</td>
<td>19%</td>
</tr>
<tr>
<td>Local gov’t</td>
<td>17%</td>
</tr>
<tr>
<td>NGOs</td>
<td>13%</td>
</tr>
<tr>
<td>Religious leaders</td>
<td>10%</td>
</tr>
<tr>
<td>Warlords</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: IWA Survey of August 2007

56% of respondents in May 2008 stated that between 10 to 40 % of money went to the Afghan government, i.e. something that reflects the reality. However, responses varied significantly from less than 10% to more than 60%, meaning that the government needs to communicate more on the level of aid it receives and spends (cf. graph below). Male respondents tended to
state that the government received less than 30% of total aid while Afghan women were more likely to believe the government actually received more than 30%. 92% recommended that the international community spent more money through the Afghan government. This is a paradox. Even though respondents considered that the Afghan government was most vulnerable to corruption compared to other aid deliverers, they still expressed confidence in Afghan leadership on aid.

In our survey of May 2008, only 16% of respondents said they were completely satisfied with the way the aid is currently distributed. A majority said they were either partially satisfied or not at all. Least satisfaction was registered in Baghlan, Bamyan, Farah, Ghazni, Ghor, Logar and Sar-i-Pul, e.g. mainly those provinces with the least aid per capita received according to MoF data (cf. Map on total planned and committed aid per capita per province). Further, the perception that aid is not equally distributed in all provinces is widespread with only 12% believing in equal distribution of aid. Among the 76% who believed that aid is unequally distributed, there was no difference of perception whether they had different level of education, gender, place of living or province of residence. A majority of 81% of respondents believed that less than 40% of aid really reaches Afghanistan.

<table>
<thead>
<tr>
<th>Percentage of Aid Received</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10%</td>
<td>9%</td>
</tr>
<tr>
<td>10% to 20%</td>
<td>19%</td>
</tr>
<tr>
<td>21% to 30%</td>
<td>18%</td>
</tr>
<tr>
<td>31% to 40%</td>
<td>18%</td>
</tr>
<tr>
<td>41% to 60%</td>
<td>18%</td>
</tr>
<tr>
<td>More than 60%</td>
<td>6%</td>
</tr>
<tr>
<td>Don't know</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: IWA Survey of May 2008
In May 2008, 72% of respondents considered that Afghan voices have been considered in the current delivery of aid either to some extent or more significantly. Farah, Ghor and Sar-i-Pul were amongst the provinces where interviewees least strongly felt that Afghan voices were taken into consideration in the implementation of aid. However, a much lower percentage (50%) felt that their own voices were taken into account – against 47% who considered that they were not heard. This is quite in line with what respondents thought in 2007 regarding NGOs taking into account their opinion. Only one respondent in three stated that NGOs sought end beneficiaries’ opinion most of the time or sometimes.

"How much do NGOs seek people’s opinions in their expenditures?"

Source: IWA Survey of August 2007

There has been a large consensus in 2007 (93%) that evaluation and monitoring improved the quality of projects. Respondents in 2008 gave the primary role of monitoring to the Afghan government. Interestingly, CDCs and ordinary beneficiaries were trusted respectively by 10 and 5% of respondents. Comparatively, NGOs were rated by only 5% of the interviewees to be the...
most suited for carrying out the responsibility for monitoring of aid. (cf. graph below). Similarly, in 2007, the government was largely trusted for the job.

![Who has the responsibility to monitor aid?](image)

Source: IWA Survey of May 2008

Finally, security was considered by 84% of respondents as the first priority education and justice came second and third. There was no significant variation depending on province, gender, place of life and level of income. Among the two top priorities of respondents aggregated, security still remained the first priority with 46% of responses followed by education (16%), justice (15%), agriculture and food prices (10%).

![Favoured Actors to Provide Oversight for NGO Projects](image)

Source: IWA Survey of August 2007

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B) Public accountability beyond public information campaigns

Public accountability is to account publicly for one’s actions and decisions. It is more than traditional accountability mechanisms whereby an aid actor is simply held accountable either by the state, by the donor or an implementing agency. It is about enhancing citizens as aid actors and not mere subjects of aid. It therefore includes elements of access to information, publicity and communication on the part of aid administrators, capacity to account but also capacity to be held accountable, a culture and norms of public accountability on the part of both citizens and aid administrators. It should be assessed against ways of being and doing things such as an
emerging account-attitude, integrity-driven strategies etc. It should be judged in terms of the resilience, durability of the values and norms it promotes.

In the early stages of the reconstruction process, aid delivery was highly unaccountable to the end beneficiaries. The deficit in accountability was justified by deficits in security and capacity but also urgent and immense needs and expectations. There have been all sorts of imperatives that undermined accountability towards Afghan citizens from being a primary concern. The imperatives of emergency aid and humanitarian relief traditionally leaves little room for beneficiaries to be considered as full citizens and therefore be part of the aid accountability. Afghanistan was no different from other theatres of intervention during 2002 and 2003 when most of the aid was labeled as humanitarian and ‘the immediate needs’ had to be addressed first. Stabilization imperatives led to quick-impact projects often defined in total absence of consideration for the end beneficiaries. This is what Galtung and Tisné call the ‘Potlatch Phase’, that is an elaborate ritual whereby international community offers the gifts – to the newly admitted country within the respected concert of nations – that ‘bear no relation to the needs of the recipients, or even their ability to consume them’. Further, because of delays in the upper sections of the system where reconstruction aid is appropriated, committed and disbursed, the necessary speed often ended in saving time on the part of beneficiaries, therefore reducing their role, participation and input. Because the country was one of the least developed, the MDG became one of the defining patterns of aid in Afghanistan – besides counter-insurgency and post-Washington consensus. As a result of these logics and processes, the end beneficiaries are defined externally, as assisted returnees, liberated, human-rights-educated, capacity-built etc. They are rarely defined in a more active role, with an equal status, as concerned citizens, having their own type of capacities etc. For all these reasons, there have been disempowering logics within aid which have made uneasy the ground for public accountability.

The positive element is that there are huge public demands for and expectations of increased accountability. The participation of communities in aid delivery has been seen through our surveys as both increasing the effectiveness and the accountability of aid. This is the case, for instance, for local councils such as the CDC. Furthermore, the Afghan leadership over aid is acknowledged in our surveys, but there is a demand for it to be increased. Moreover, ordinary citizens across provinces fully adhere to the mutual commitment of the Afghan government to the international community in exchange of aid. Clearly, the Afghan population supports the idea that not only has the Afghan government the responsibility to protect and provide services to its people, but it should also externally account for it. The idea of a double compact promoted by Ghani and Lockhart therefore makes sense.

There are, however, some challenges to overcome. First, as we argued regarding the ANDS and the Paris Conference, there is a risk that the dominant norms and perceptions within the aid community and the international community intervening in Afghanistan may sideline genuine demands from the ground up. Second, the role of Afghan civil society and private sector in implementing aid has been minimal so far. Indeed, Afghan NGOs are considered more corrupt than their international counterparts. On the use of Afghan private sector, initiatives such as the Afghanistan Procurement Directory and the virtual marketplace by Peace Dividend Trust should be encouraged. Third, even though the Afghan government is trusted, the government institutions at local level are not trusted because of high levels of corruption and low level of delivery capacity.

Consequently, one of the best ways for improving aid accountability and integrity is to involve broader Afghan public through genuine public-private partnership and national programs. Bringing together local and national government, international and Afghan NGOs, the private sector who engage in a public discussion of what each one does, with some oversight by donors, will certainly increase the integrity of aid and mutual accountability of citizens and aid deliverers. In this context, the role of national frameworks, programs and vision are necessary, otherwise independent agencies will attempt to write the rules of the game for different sectors as they pleased. Further, common arrangements for accountability should be established or enforced. The Afghan government now regularly reports on its expenditure, especially for the aid money it receives. It is not normal that the NGOs do not follow the same path. It is not normal that we repeat the same amount of 10 to 15% of aid going to NGOs, the only figure that is available, but which corresponds to the year 2004 and was reported by the Afghan government. It is not normal that more than 400 Afghan and international NGOs are registered.
and described in the ACBAR directory available on Internet, but none mentions the annual budget it spends in Afghanistan, even though the directory has been designed for this purpose.

A different challenge in improving aid accountability is the fragmented and fractured nature of politics that results in politicizing rather than enhancing strong domestic levers. Engaging political elites and political parties in a public debate of aid purposes to overcome their multiple divides in order to produce national debates over the use of aid. One of the ways to achieve some success is through creating an enabling environment for accountability through an informed discussion of aid within the Parliament and within the circle of politicians and political commentators. Most often discussions of aid in Afghanistan have used populist, demagogic or nationalist arguments that most often result in purely rejecting it. Such debates are eroding public accountability as it feeds public alienation. On the contrary, a sense of ownership within Parliament whereby MPs have to account to their constituents for the aid the country receives will improve both the accountability and the effectiveness of aid.

Further, there is a risk that public information campaigns alone may not be sufficient to improve the accountability of aid. While the need for further communication and awareness campaigns have been recognized and may to some extent help understand how the aid mechanisms work (Davin & Baudenbiller, 2008), they may also result in increased expectations of end beneficiaries or be manipulated by some politicians. For instance, in December 2003, based on its agreement with USAID, the Afghan government informed the delegates of the Constitutional Convention that 1100 km of secondary roads would be built during 2004. However, ‘having miscalculated the costs, USAID backtracked’ resulting in lack of trust of the Afghan public (Ghani, Lockhart, & Carnahan, 2006, p. 6). This example shows that communication is a poor substitute for genuine accountability through participation of end beneficiaries.

C) People-centered aid and service delivery

NSP is one of the rare development programs that are people-centered, i.e. end beneficiaries decide on what to do with aid money. However, recently, a few more initiatives put the beneficiaries at the center of aid delivery and allow them to influence how it should be designed and executed. These include ActionAid’s Economic Literacy and Budget Analysis Group (ELBAG) program and social auditing, AKDN’s social auditing of urban rehabilitation projects and IWA’s community monitoring of aid. The aim of those initiatives are not only to consult the communities at the beginning of a project but also to make sure that recipients are able to scrutinize, criticize, reorient and obtain a modification of projects or programs when they suspect the lack of efficiency or impact of the latter. The involvement of beneficiaries and final users is essential to receive additional inputs to design or redirect a project or a service and to integrate the point of views and suggestions of beneficiaries to maintain trust and provide legitimacy across the implementation of activities. These initiatives also introduce more accountability in the aid response and create a direct flow of information between the donors and the beneficiaries.

Integrity Watch has recently launched two pilot projects to enable citizens in getting their perspectives on the way state services and aid programs are delivered to them. These pilot projects were based on the belief that whatever the scope and the depth of reforms within the public and the aid sectors, the perspective of those who are the most affected by them are never sufficiently valued.

The first project watches the quality of public administration reforms and the way they address citizens’ concerns. It consisted in monitoring the public services by citizens. By focusing on the integrity of public services, apart from the importance of public service delivery in its own right, this pilot monitoring was considered as one of the ways to re-create and strengthen trust between the population and the state and thus resulting in enhanced state legitimacy. We found that administrative procedures remained for the most part unclear to citizens, expanding the scope for exercise of discretionary power by public officials and resulting in numerous inefficiencies. Also, the widespread and strong belief among Afghan citizens that state services are corrupt and inefficient has hampered their ability to claim their rights. The program provides regular and independent evaluations of the integrity of public delivery of selected services. The evaluation based on a series of indicators on how the population perceives these state services
beneficiary integration in aid policies is facilitated in the district of Jabulsaraj. There was a strong assumption – resulting from our previous research – that donors lacked information on beneficiaries’ perspective on aid efficiency and beneficiaries felt marginalized as they could hardly communicate their claims upwards. The systems used by the donors to monitor are mostly relying on evaluations made by independent specialists with often too many limitations (access, time and information, security, language barriers etc.) to bring-up grass root demands, expectations and complaints. A complement to these evaluations is necessary. In order to verify these observations, an in-depth and durable collaboration with communities who will be monitoring the project affecting them was necessary. The involvement of the communities required a knowledge transfer to the communities on how to monitor aid projects and the setting up of a governance structure through which the demands could be channeled from the ground-up. The communities are inserted in a structure where their demands will be structured in order to become useful for the aid implementers and where these can be channeled. With this pilot project, Integrity Watch explores new solutions to ensure a greater implication of communities in ensuring the integrity of aid projects by giving them a role in monitoring any aid projects touching their areas. The monitoring results are channeled to two major actors: the Afghan government and donors. The empowerment of local communities will allow them to have a greater influence on the future aid projects, making them creative citizens of aid and not just passive subjects of aid.

Conclusion:

Public perceptions of aid are a good indicator for measuring ownership, feelings of participation or alienation, therefore a ground for building trust and accountability. As opinion surveys showed, what people often perceive is rarely far from actual facts. On the one hand; aid is perceived as highly corrupt, with disparities across provinces. On the other hand, positive impact of aid, are acknowledged and further expectations enounced regarding the Afghan leadership on aid, the specific role for NGOs in the absence of service delivery in provinces etc. Consequently, there are significant citizen demands for increased public accountability. However, in the face of daunting challenges such as a weakly trusted Afghan NGO sector and fragmented political elites, genuine multi-stakeholder partnerships need to be established and informed discussion of aid among the political circles has to be encouraged. Communication and information campaigns will always be a poor substitute for accountability in the absence of well-thought strategies to get active people participation. Finally, a few examples of how the reintegration of the end beneficiaries through people-centered aid process can increase public accountability have illustrated how increased effectiveness of aid can be achieved.
Conclusion and recommendations

Looking back into the efforts made by the international community in Afghanistan over the last six years, we realize that what has been missing is the accountability of aid. In the context of ‘quick wins’, corruption has often been seen as an obstacle to deliver aid more rapidly. Neither the donors nor the recipient government has had an incentive for controlling corruption and waste during this phase. Further, more recent efforts around the Afghanistan Compact and the ANDS show that the accountability to the end beneficiaries is limited. Rather, Afghans at the bottom end are marginalized by choices made elsewhere. Local accountability mechanisms are underdeveloped while access to information still needs to become a reality. There is a risk, however, that in the context of a ‘late awakening’ where corruption is publicized and expectations of a transparent and accountable aid (Galtung and Tisné, 2008, p. 5) are high donors may push for financial accountability of their own aid. If the aid to Afghanistan turns into that development, social and political accountability towards the communities and the end beneficiaries will once again be postponed.

Consequently, Integrity Watch recommends some measures that are not exclusive to others creative efforts to improve the accountability of aid:

• Today the Compact is limited to a donor-government agreement. It is necessary to develop a mechanism where a greater engagement of ordinary Afghans is encouraged. For this a double compact between the donor, the government and the final beneficiaries is necessary so that aid becomes accountable to the Afghan people;

• Include locally driven monitoring tools to measure the efficiency of aid as seen by the population; the integration of locally meaningful mechanisms, frameworks and competencies are key in reducing the tensions and frustrations

• NGOs should systematically communicate the amount of aid spent in reconstruction projects following the example of the Afghan government to the general public; in the context of higher demand by donors for financial accountability, channelling funds through international NGOs should not become the main solution. Rather, social and political accountability mechanisms should be developed at local and national levels.

• To ensure public access to information stronger legislation and greater involvement of Parliament and Provincial Councils in discussing aid policies is required;

• Greater investment in higher education is the only exit strategy for expensive externally driven technical assistance. Exit should be the driving principle for any semi-parallel system that is deemed necessary for the delivery of aid.

• Natural resource management should be one of the main priorities of donors’ assistance to Afghanistan.
Bibliography


Annex I: Characteristic of the sample for perceptions survey

Because there is no representative sample of Afghans yet established, we have followed the general characteristics adopted for most of surveys. These include gender, age, province, ethnicity, level of education, level of income and the rural-urban divide. All the interviews were carried out by telephone. Thus, there is a strong bias in favor of the education population who constitute most of the mobile owners in Afghanistan. We have checked therefore systematically any variation on the basis of education and whenever there was a need to determine a national view, it has been calculated through a coefficient whereby the views of literate people only constitute 25% of the total. A the sample of 1000 persons has been extracted from a total of interviewees 1287.

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