Afghanistan and the Uncertain Metrics of Progress

Part Four: Hold and Build, and the Challenge of Development

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Arleigh A. Burke Chair in Strategy

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Overview

The war in Afghanistan is now in its tenth year. In spite of that fact, the US, allied countries, ISAF, and the UN have failed to develop credible reporting in the progress of the war, provide meaningful transparency on the problems and challenge it faces, and a meaningful plan for the future. Moreover, since June 2010, the unclassified reporting the US does provide has steadily shrunk in content – effectively “spinning” the road to victory by eliminating content that illustrates the full scale of the challenges ahead.

Drawing on Unclassified Official Reporting Lacking in Credibility and Transparency

The US is scarcely alone in failing to provide adequate reporting on the Afghan conflict. No allied government provides credible reporting on the progress of the war, and the Afghan government provides little detail of any kind. The UN, which has major responsibilities for aid, has failed to provide a meaningful overview of how aid requirements are generated, how aid efforts are managed and coordinated, of how funds are used, of the quality of fiscal controls and auditing, and of the effectiveness and impact of aid.

There are, however, some useful unclassified metrics in spite of the tendency to limit their content “spin” and “message control.” Moreover, some reflect real progress since the adoption of the new strategy for the war, and indicate that a more frank, meaningful, and open reporting system would do a far more convincing job of winning support for the conflict – as well as be a way of obtaining the kind of feedback and informed criticism that could help meet the many problems and challenges that still shape the course of the fighting.

The Six Part Series Analysis of the War

The Burke Chair has prepared a six-part analytic overview of unclassified metrics, and how their current content relates to the challenges in policy, plans, resources, and management of the war that now reduce the prospects of victory. It should be stressed that such an analysis is only a way of flagging key trends and developments within the limits imposed by using unclassified official reporting.

Moreover, metrics are not a substitute for the kind of narrative that is critical to understand the complexity of this war, and put numbers, charts, and maps in context. This is a case where facing the real-world complexity of the conflict is essential to winning it.
Even an overview of the strengths and weakness of unclassified metrics does, however, provide considerable insight into what is known about the war as well as the many areas where meaningful reporting is lacking and the information reporting available is deceptive and misleading. The US, its allies, and the ISAF may currently be repeating the same kind of overall messaging as the “follies” presented in Vietnam, but there are enough areas where facts still become public to put much of the war into perspective.

The first two reports in this series have already been circulated and are now available on the CSIS web site. They are entitled:

- **Part One: The Failures that Shaped Today’s War (Available on the CSIS web site):** This report highlights the US failure to resource the Afghan campaign, and the extent to which US failure to react to the growth of the Taliban, the al Qa’ida sanctuary in Pakistan, and the failures of the Afghan government turned near victory into near defeat.

- **Part Two: Transitioning to the New Strategy (Available on the CSIS web site):** This briefing highlights graphics and tables that summarize the new strategy and campaign plan, the initial impact of the resulting build-up of US forces and changes in tactics and strategy on the intensity of the war, and early estimates of how the changes in strategy will impact the US budget and the affordability of the war.

- **Part Three: Key Ongoing Challenges (Available on the CSIS web site **): This report highlights the unclassified graphics and tables that describe key individual challenges that affect the course of the fighting and the ability to implement the new strategy.

**Part Four: Hold and Build, and the Challenge of Development**

This Fourth report highlights the progress and challenges in what remains the weakest link in the US and allied effort in Afghanistan: Developing integrated civil-military operations, making effective use of aid, and making “hold, build, and transition” a functional reality.

This US and allied effort faces several major challenges that grow out of both the history of the conflict before the new strategy as well as the ongoing challenges discussed in Parts One and Two of this series:
Failure to create effective aid and development programs: The most striking aspect of aid and development is the lack of meaningful data and metrics on the efforts involved, and their results. Ironically, more data are available on military operations and intelligence about the threat than the impact of civil spending and aid.

This briefing does, however, present some summary metrics that show that the US and the West established hopelessly overambitious mid and long term development goals based on the assumption that Afghanistan was effectively at peace, without valid plans and requirements, and which can never be resourced at anything like the required levels.

Unfortunately there are no metrics to show other critical problems in the aid effort – problems compounded by a similar lack of management in military contracts. The result was a massive flow of aid money without effective financial controls, contracting methods, attention to absorption capability, or meaningful measures of effectiveness. Moreover, these aid efforts were divided by sponsoring country, often responding to the aid politics of the capital involved, while NGOs funded projects that served their own goals and interests.

These problems have been compounded by erratic funding and a failure to sustain programs once they began. Moreover, major problems occurred because of short tours by key aid personnel, and nearly annual efforts to “reconceptualize” aid efforts without creating systems that could plan and execute concepts effectively, measure Afghan perceptions and needs, validate requirements, and measure effectiveness.

The lack of metrics and other reporting on aid reflects the fact that no one is effectively in charge. The UN failed to provide effective coordination and oversight, meaningful reporting on spending, and metrics and analysis that show where aid money went or anything about its effectiveness. Vast amounts of money – by Afghan standards -- poured into a grey economy where side payments and “fees” are the rule. It offered both Afghans and outside contractors a “get rich quick” option at a time they had no guarantee of either security or stability.

This has played a major role in creating a massive pattern of corruption and waste at every level – a problem compounded by even more corruption and waste caused by growing military contract expenditures on facilities, transport, and services which also lacked an effective system for awarding and monitoring contracts or anything approaching meaningful fiscal controls.
A central government lacking in capacity – and provincial and local governments controlled from the center and without resources of their own – have been steadily corrupted by this process while no effective structure existed at the provincial, district, or local level for planning and executing aid activity. Groups like Oxfam estimate that some 40% of the aid money never reached actual programs and projects, and no element of the aid effort established any meaningful measures of effectiveness to show where the rest of the aid effort went or what its impact was.

Moreover, the more detailed metrics that are available on how aid has been spent show that most of the aid effort focused on mid and long term development. The net impact was that aid did not reach most Afghans at a time the Taliban steadily expanded its control and influence, and often enriched corrupt officials and power brokers. ISAF’s tactical victories often ended in fighting in populated areas, then leaving them. As the following reports in this series show, the population in the most sensitive areas in the war were left without meaningful governance and government services, without a functional justice system and security, and without tangible economic security or benefits from international aid.

Failure to create effective ISAF forces and PRT structures, and coordinate civil-military efforts: An alliance is not measured by the number of its members, but by their effectiveness. The US initially approached its allies as if they could be little more than peacekeepers in a victory that was already run. It sought the maximum number of participants for aid and security activity without regard to effectiveness and national caveats.

Different national military elements were layered over different civil provincial reconstruction teams. This structure could not adapt effectively as the war in Afghanistan became steadily more serious. NATO and ISAF did make progress in military coordination, but they did not begin to develop effective coordinated plans until the McChrystal exercise in 2009, and national caveats remain a critical problem, as does the lack of a true, integrated, civil-military plan of operations.

Moreover, while efforts were finally made to create a central coordinator for civil programs, and integrated civil-military plans in 2010, these plans remain largely conceptual. There are still no meaningful unclassified metrics or analyses that show real progress in these areas, that reflect meaningful fiscal controls and measures of effectiveness, or that provide a picture of how civil programs in governance, rule of law, and economic aid relate to military efforts.

Failure to focus on creating a functional justice system: These problems were compounded by initially trying to deal
with creating a police force that was based on German models that were hopelessly underresourced and did not meet Afghan needs and values. This failure was followed by an equaled underresourced effort by the US State Department that largely ignored the fact that insurgent influence now required a police that could deal with guerrilla warfare. A third transfer of effort then occurred to the US Department of Defense, which began to set more realistic goals for paramilitary and self-defense capability. However it was never properly resourced and effectively increase the burden on the ISAF and US military training effort.

Worse, the police training and expansion effort was decoupled from a rule of law effort that focused narrowly on creating a new formal justice system at the top and allow the Taliban and local power brokers to become the de facto system for local justices. Courts and jails were often lacking or unable to operate.

Moreover, the lack of effective local governance – an essential element in winning support for police and a justice system meant the elements of an effective justice system were lacking in much of the country – compounding the problem created by corruption, power brokers, and ethnic, sectarian, and tribal friction. All of these efforts were made worse by gross underpayment of salaries, corruption in hiring and promotion at every level, misuse of aid funds, and a lack of any effective effort to manage aid and development programs in the field.

So far governance aid has been offset by a series of political tensions and crisis. Effective Afghan governance at the national, provincial, district and local levels is equally critical to providing security and the “clear and hold” phase of the war on a national level. It is the core of creating the “build” capability necessary to providing stability, prompt justice, governance, and a functioning economy. Governance aid has gradually come to focus on creating more effective ministries, and support of effective governance at the provincial, district, and local levels.

However, there may well have been negative progress over the last two years. Two election crises, and friction between Karzai and the US has offset limited progress at the ministerial, provincial, district and local levels. The failure to create effective military and civil contracting systems has led to both vast waste and a flood of funds into a unstable Afghan power structure that has strengthened power brokers. Efforts to create stronger provincial, district, and local governance have met serious resistance and have been affected by Taliban an d Haqqani assassinations and attacks.

There is still grossly inadequate coordination within the overall UN, national, and NGO aid effort. There is also is far too
little focus on creating achievable mid and long-term goals that aid might actually achieve. Additionally, there is a lack of focus on finding ways to allocate, manage, and measure the effectiveness of the short term civil and civil-military efforts that are critical to give tactical success in the “clear” mission lasting meaning through “build” and “hold.” The limited metrics and reporting on aid consist largely of uncoordinated spending activity, funding requests, project titles, and “spin” as to accomplishments that have little credibility. There is no evidence of fiscal responsibility, validated requirements, and above all lasting effectiveness – even in meeting the most urgent Afghan grievances and needs.

Aid and civil-military efforts are not tied to a clear definition of a realistic end state and transition, and to credible plans to achieve them. It is far from clear that it will be possible to achieve a successful end state in Afghanistan even if far more modest and realistic goals are set for what ISAF, the UN, and US must accomplish. It is uncertain they can create the more limited “end state” defined in the ISAF campaign plan summarized on page 15:

…the insurgency is defeated and no longer able to threaten the security of GIRoA. Afghanistan is stabilized, legitimate government extends to local levels, socio-economic programs benefit the majority of the Afghan people. GIRoA, with ISAF in support, is capable of assuming the lead for the provision of security. (ISAF, May 2010.)

Equal problems exist in making “transition” an exercise in political symbolism, rather than an achievable result of real world planning. Neither 2011 nor 2014 are realistic deadlines for the end to a US and allied military presence or an end to major civil and military aid. In fact, one of the critical aspects of official plans, analyses, and metrics of the war is that they do not lay out a detailed or credible path forward to any meaningful end state, or even reduced level of troop presence and aid expenditure. They remain vague conceptual end states – whose generalization are often in direct conflict with other official statements.

“Hold and Build:” The Challenge of Aid and Development

Many of these issues are illustrated in the metrics in the first section of this report. They show how small an economy Afghanistan has compared to Iraq, and its inability in the short and near term to fund its own development and security. They also show that the current goals for development cannot be funded with anything like projected Afghan revenues and donor aid.
A summary graphic on strategy quoted in a GAO report last year projected something approaching a 70% shortfall in funding for 2012-2013. A recent USAID projection shows a far greater shortfall in both the near and mid-term, as well as the risk that projected US aid may be cut in the outyears. Much of this gap, however, is driven by the almost totally unrealistic, politicized goals for mid and long-term economic development set in the Afghan Compact, Afghan National Development Strategy, and London Conference Communiqué.

“Hold and Build:” Spending to Date and the Civil-Military Ratio

The metrics also show that the volume of US foreign aid has been extremely low relative to US military spending and spending on the development of the Afghan national security forces (ANSF). While SIGAR calculated that total aid reached $51.5 billion through FY2010, security spending dominated such activity once the war began to receive serious funding in FY2007. Actual ESF aid only totaled $5.39 billion in disbursements as of March 31, 2010.

CBO and CRS estimates also show that the ration of civil aid and activity to military operations and ANSF development remained at token levels through FY2011. This is critical, given the emphasis on giving Afghans “hold” and “build,” and reasons to support GIRoA. The CBO estimates all diplomatic activity and civil foreign aid totaled only $13 billion of $386 billion in appropriated funds through FY2011 – only a little more than 3% of the total. Complaints that the US has put large amounts of money into nation building are simply wrong. If anything, the US has failed to finance the “hold” and “build” operations that are critical to military success.

The metrics show that CRS estimates are higher, and these figures do not include CERP and other aid transfers from DoD. At the same time, it is important to stress that much of this aid went to near and long term projects, and does not support the “hold, build, and transition” activities that directly affect the ability to implement the new strategy and the outcome of the war.

“Hold and Build:” The Very Uncertain “Surge”

Reports of a US civilian surge reflect a real build up, but scarcely a massive surge for so large and poor a country. It is unclear that they offset the decline in allied and NGO aid personnel and the US only has responsibility for 13 of 27 Provincial Reconstruction Team (PRT) base. Allies lead the rest, and 8 Provinces do not have a PRT base.
While some reports note that civilians are building up to over 1,000, USAID only reported a total of 473 personnel in country in late January 2011, and only 215 were in the field outside Kabul. The total numbers of civilians in the field still seem to be around one quarter of the military in the field, and DoD reported that there were nearly 1,100 US military in such roles at the start of 2010.

**“Hold and Build:” Risk Assessments for Aid Activity**

The current level of aid also has to be related to the fact that securing the population, and “hold and build”, has to succeed in high risk and combat areas. The US reports a far lower level of risk in such areas than the UN and NGOs. It is also unclear whether such risks are increasing or decreasing as combat becomes more intense. In any case, it is clear that such risks also limit current ability to actually implement “hold, build, and transition.”

**“Hold and Build:” Performance and the Problem of Priorities**

As yet, there are no credible unclassified metrics or analyses that indicate aid is becoming more effective, better managed, and more focused on supporting the new strategy. In spite of years of promises, USAID and the State Department still cannot provide credible estimates of the impact and effectiveness of aid, or demonstrate that funds are used with proper fiscal controls. This situation is not better for other countries, and the UN has made no progress in providing such reporting.

The State Department and USAID have provided a metric showing the need to support both stabilization efforts to support the war and long-term development efforts, but have not provided data to show the requirements for activity, relative effectiveness, or how current funding is distributed.

The limited progress reporting that is available lacks statistic back up and does not seem credible. Claims that school enrollment is 7.1 million seem remarkably uncertain for a country where many schools still lack formal structure, and the data on the number of girls and women attending school may be little more than spin driven guesstimates. It is far from clear how 640,000 Afghan farmers could receive serious “hands-on agricultural productivity and food security training” with the resources USAID and other US aid efforts have available.
Reports on increased access to basic health care from 8% to 84% seem to be little more than estimates of how much of the population is within a given travel distance from such care. A focus on road building seems heavily concentrated on a ring road, many portions of which lack security and are subject to extortion, rather than meeting the broad Afghan expectations required for “hold and build.”

The one metric surveying the progress of aid in the critical districts affecting the war shows no progress between February and April 2010, and it has since been deleted from unclassified reporting. To the extent there is positive reporting, it takes the form of metrics that show a high level of per capita spending in key districts, but spending per capita is scarcely a measure of effectiveness or impact on the population.

Aid has set broad priorities for the future – and provided an indication of how they affect the road to transition and long-term development -- but these seem largely conceptual and it is not clear how these affect total USG, allied, UN, GIRoA, or NGO efforts. UN priorities are aid dominated in more than half the country, and vague and unclear in the rest.

Assessments of the Afghan economy and “rising prosperity” seem to credit the direct and indirect impact of massive inflows of aid, as well as outside military and civil spending, as if they were some form of real growth in GDP, per capita income, and prosperity. They largely ignore income distribution and its impact on the poor and ordinary Afghans, corruption, inflationary effects, and the outflow of aid money and GIRoA revenues. There is little focus on the large class of impoverished Afghans, their dependence on UN and other food aid to survive, the impact of combat, their ability to find alternative sources of income other than drugs, demographics pressures, and inflows to urban slums. Lofty goals for regional development, mining potential, and becoming a key trade route for Central Asia all seem idealized to the point where the war will be decisively lost or won before they have any major impact – if ever.

**The Need for Credibility, Integrity, and Transparency and Future Reports in this Series**

Virtually every expert on the Afghan War could add new points to this list. It is also obvious from many of these points that the metrics shown in this report can only hint at a few key trends and problems. In far too many cases, there are no metrics and no reliable detailed histories – although the kind of metrics and analysis that should have existed is easy to derive from the summary of each problem.
At the same time, it is critical to stress that the other parts of this report show that major progress is being made in addressing many of the issues involved, and metric are only part of that story. For all of the spin and omissions that still surround reporting on the war, major progress has occurred over the last two years, and additional major efforts to correct these problems are underway.

They will be analyzed in the future parts of this report:

*Part Five: Building Effective Afghan Forces*
*Part Six: Showing Victory is Possible*
“Hold and Build”

The Challenge of Aid and Development
Development: Growing Progress

• Funding levels now far more consistent, now high enough to have major impact.
• Improved civil-military coordination and overall coordination of aid effort.
• Serious effort to create integrated civil-military teams and break down “stovepipes”
• Far more civilians and military performing civil-military roles in the field.
• New focus on what Afghans want; aid that will improve their current lives and governance, economy, and prompt justice. Address “worst grievances.”
• New focus on providing aid broadly in critical districts and population centers.
• Focus on accountability in spending, directing funds to honest officials and leaders at the Ministerial, provincial, district, and local levels.
• Beginning to seek validation of requirements, Afghan consensus and transparency.
• Seeking to develop meaningful measure of effectiveness and impact on popular perceptions.
• Increase in cadres of experienced aid workers, military, and Afghans.
# The Challenge of Development

<table>
<thead>
<tr>
<th>Category</th>
<th>Afghanistan</th>
<th>Pakistan</th>
</tr>
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<tbody>
<tr>
<td><strong>Population</strong></td>
<td>29.1 Million</td>
<td>177.3 Million</td>
</tr>
<tr>
<td><strong>Life Expectancy</strong></td>
<td>44.7 years</td>
<td>65.6 years</td>
</tr>
<tr>
<td><strong>% 0-14 Years</strong></td>
<td>42.9%</td>
<td>36%</td>
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<tr>
<td><strong>Growth Rate</strong></td>
<td>2.47%</td>
<td>1.51%</td>
</tr>
<tr>
<td><strong>Urbanization</strong></td>
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<td>36%</td>
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<td><strong>Urbanization Rate</strong></td>
<td>5.4%</td>
<td>3%</td>
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<td><strong>Ethnic Groups</strong></td>
<td>42% Pashtun</td>
<td>44.7% Punjabi</td>
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<td>27% Tajik</td>
<td>15.4% Pashtun</td>
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<td>9% Hazara</td>
<td>14.1% Sindhi</td>
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<td>4% Aimak</td>
<td>8.4% Sariaki</td>
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<td></td>
<td>3% Turkmen</td>
<td>7.6% Muhairs</td>
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<td>2% Baluch</td>
<td>3.6% Baluchi</td>
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<tr>
<td></td>
<td>4% Other</td>
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<td><strong>Sects</strong></td>
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<td><strong>Literacy</strong></td>
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<td><strong>Economy</strong></td>
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<td>GDP</td>
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<td>GDP Rank</td>
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<tr>
<td>Per Capita Income</td>
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<tr>
<td>Unemployment</td>
<td>3.5%</td>
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<td></td>
<td>26% Industry</td>
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<td>43% Services</td>
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CRS Estimate of Annual Foreign Aid Spending on Afghan War FY 2001 – FY2011

Afghanistan

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<th>Year</th>
<th>FY01&amp;02</th>
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<td>25.2</td>
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Spending On and Off Budget

* FY 11 Levels are based on a CR at FY 10 levels; FY 12 levels are based on OMB passback levels.

Coping With Impossible Goals

Anticipated funding and expected expenditures, 2008-2013

Cumulative budget shortfall $18.6

Dollars in billions

<table>
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<tr>
<th>Years</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
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<td>4</td>
<td>6</td>
<td>8</td>
<td>10</td>
<td>12</td>
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</table>

Source: Afghanistan National Development Strategy - 2008 (data); Defense Imagery (photo).
Transitioning to Mission Impossible

GIRoA Spending Expectations Inconsistent with Future Budget Restrictions

US Dollars Billions

GIRoA Estimated Total Spending* (On Budget NOT INCLUDING ANSF Spending)

GIRoA Revenues

Civilian Assistance

Requested ANDS Resource Ceiling**

*Source GIRoA 1389 Budget, (Total Pending = Operational Budget + Development Budget)

** Source: Afghan National Development Strategy 2008-2013, (Budgeted Core + External Expenditure)

Coping With Impossible Dreams

Timeline of Selected Documents

Source: GAO, 10-655R, June 15, 2010
“Hold and Build”

Spending to Date and the Civil-Military Ratio
Cumulative appropriations as of FY 2010 increased by almost 30.1% over cumulative appropriations as of FY 2009, to more than $51.50 billion.

Since FY 2002, security efforts have received the largest cumulative appropriations. Appropriations for security (nearly $26.75 billion) account for more than 51.9% of total U.S. reconstruction assistance.

In FY 2010, security had a large gain in cumulative appropriations over FY 2009 (more than 32.5%), followed by governance and development (nearly 27.6%), and counter-narcotics (more than 20.8%).

Appropriations for FY 2010 amounted to nearly $11.91 billion, surpassing FY 2009 levels by over 15.0%. This is the largest amount appropriated in a single year for the reconstruction effort.

FY 2010 appropriations for security increased by more than 17.0% over FY 2009 appropriations, to more than $6.56 billion.

Of the total appropriations for FY 2010, security initiatives accounted for almost 55.1%, followed by governance and development with almost 26.8%.

Appropriations in FY 2010 for security (more than $6.56 billion) are the second-largest appropriations made in a single year; the largest (nearly $7.41 billion) occurred for security in FY 2007. (nearly $41.72 billion) of total reconstruction assistance in Afghanistan since FY 2002.

Of this amount, almost 82.9% (more than $34.56 billion) has been obligated, and more than 73.1% (nearly $30.50 billion) has been disbursed.

Source: SIGAR, Quarterly Report, July 2010, p. 50
The FY 2010 Consolidated Appropriations Act provides almost $2.04 billion for ESF programs in Afghanistan. As of March 31, 2010, this brings the cumulative total funding for the ESF to nearly $9.74 billion, more than 18.9% of total U.S. assistance to the reconstruction effort. As of March 31, 2010, USAID reported that of this amount, more than $7.57 billion had been obligated, of which more than $5.39 billion has been disbursed.27 USAID reported that cumulative obligations as of March 31, 2010, increased by more than $36.81 million over cumulative obligations as of December 31, 2009. In addition, cumulative disbursements as of March 31, 2010, increased by nearly $419.65 million over cumulative disbursements as of December 31, 2009.28
The Low Ratio of US Civil Aid to Military Effort: FY2001-FY2011
(In Current $US Billions)


3/1/2011
CBO Estimate of Annual US Spending on Afghan War By Category: FY2001-FY2010

(BA in Billions of $USD)

Source: Congressional Budget Office, The Budget and Economic Outlook, August 2010, Box-1-3, p. 15
**CRS Estimate of The “Guns to Butter Ratio:” Comparative Spending by Agency on the Afghan War: FY2001-FY2011**

(In Percent)

<table>
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<tr>
<th>Agency/Category</th>
<th>FY01/02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10 Enacted</th>
<th>FY10 Total w Request</th>
<th>FY11 Request</th>
<th>Cum FY01-FY10 Enacted</th>
<th>Cum FY01-FY10 w Request</th>
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<tr>
<td>DoD</td>
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<td>State/USAID</td>
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<td>0.7</td>
<td>2.2</td>
<td>2.8</td>
<td>1.1</td>
<td>1.9</td>
<td>2.7</td>
<td>3.1</td>
<td>3.2</td>
<td>5.2</td>
<td>4.6</td>
<td>18.5</td>
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<td>VA Medical</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>1.2</td>
<td>1.0</td>
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<tr>
<td>Total War Funding</td>
<td>*20.8</td>
<td>*14.7</td>
<td>*14.5</td>
<td>*20</td>
<td>*19</td>
<td>*39.2</td>
<td>*43.5</td>
<td>*59.5</td>
<td>*72.7</td>
<td>*104.8</td>
<td>*119.4</td>
<td>*303.8</td>
<td>*455.2</td>
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</tbody>
</table>

The FY 2010 DoD Appropriations Act provided $1.20 billion for CERP to promote and support development activities. Of this amount, $1.00 billion was for initiatives in Afghanistan. This brought the cumulative total funding for CERP to nearly $2.64 billion - more than 5.1% of total U.S. reconstruction assistance in Afghanistan. As of June 30, 2010, DoD reported that of this amount, nearly $1.64 billion had been obligated, of which more than $1.24 billion has been disbursed. The FY2011 request was for a slight rise to $1.3 billion, but became caught up in the continuing resolution debate. However, the total DoD request for CERP for both Iran and Afghanistan then dropped to only $400 million in the FY2012 budget request.

Source: SIGAR, Quarterly Report, July 2010, pp. 44-46; DoD Defense Budget Summary, FY2011 and FY2012
“Hold and Build”

The Very Uncertain

“Surge”
Provinces with PRT Bases

Note: Map depicts PRT base locations; some PRTs manage projects for more than one province.
a. Balkh PRT also supports Jowzjan, Sar-e Pul, and Samangan provinces.
The USAID “Surge”

### Afghanistan Staffing by Type & Location

<table>
<thead>
<tr>
<th>Employees</th>
<th>Kabul</th>
<th>Field</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>FELLOW</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>PASA</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>USPSC</td>
<td>29</td>
<td>22</td>
<td>51</td>
</tr>
<tr>
<td>USDH</td>
<td>89</td>
<td>161</td>
<td>250</td>
</tr>
<tr>
<td><strong>Subtotal US Hires</strong></td>
<td><strong>122</strong></td>
<td><strong>183</strong></td>
<td><strong>305</strong></td>
</tr>
<tr>
<td>FSN/TCN</td>
<td>136</td>
<td>32</td>
<td>168</td>
</tr>
<tr>
<td><strong>Total Employees</strong></td>
<td><strong>258</strong></td>
<td><strong>215</strong></td>
<td><strong>473</strong></td>
</tr>
</tbody>
</table>

### Location of USAID Direct Hire Employees

- **122** Kabul-based (40%)
- **183** Field-based (60%)

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“Hold and Build”

Risk Assessments for Aid Activity
UN Estimate of Accessibility

UNDAF, 2010, Annex C
A total of sixty eight NGOs were victimized in eighty eight separate AOG attacks this year (above), 14% down from the previous year. 51 one these were rated as ‘serious’ including abductions and kinetic attacks. The rate of attacks per month fluctuates significantly and with no obvious correlation to the rate of general conflict. A long term downward trend remains visible, between the peaks of 2008 and 2010 for example, likely reflecting incremental changes in NGO behavior rather than AOG intent or changes in demographics. The data still solidly supports the conclusion that NGO’s are not broadly or routinely targeted by AOG otherwise this would be visible in this data set. Exposure to crime (below) remains low, an additional 38 incidents, and has been dropping over time. Armed robbery is the main concern.
ANSO Estimate of Attacks on NGOs by Province

ANSO: Location of Significant Attacks Against NGO @ Q.4 2010

Source: Afghanistan National NGO Safety Office (ANSO), ANSO Quarterly Data Report, Q.4
ANSO Estimate of Kidnappings of NGOs by Province

“Hold and Build”

Performance and the Problem of Priorities
Stabilization vs. Development

Stabilization Efforts:
Through the use of the District Stability Framework, identify the root causes of instability and quickly apply resources to mitigate their effects.

- Support GIRoA Governance and Rule of Law at District Level
- Food Security and Subsistence Farming
- Short Term, Income Generating Activities
- Small Scale, Community Based Infrastructure Projects
- Establishment of Basic Services

Long-Term Development Efforts:
In secure areas, help the Afghan people prepare a sustainable development strategy and support their efforts to pursue it directly and through other donors & private investors.

- Implementation of Sub-National Governance Policy/Coordination of Formal and Informal Justice
- Commercial Agriculture Sector and Value Chains
- Business Climate that encourages Private Sector Investment
- Regional, Large-Scale Infrastructure Projects
- Connection of National Level Ministries to the District

Agriculture: Meet basic food security needs and grow rural economies.
• In FY 2010, 633,878 Afghans received hands-on agricultural productivity and food security training.

Economic Growth: Support diversified and resilient economic growth.
• In FY 2010, helped establish 49 Public-Private Partnerships, leveraging $95 million in private investment.

Education: Develop human capital through support to basic and higher education.
• Since 2002, school enrollment has increased from 900,000 boys to 7.1 million students, 38 percent female.
• In FY 2010, trained 40,850 public school and community based education teachers and over 3,800 literacy teachers, reaching an estimated one third of Afghan school children.

Gender: Advance gender equality.
• In FY 2010, trained 9,000 civil servants to improve public administration functions, provided basic legal training to shura and jirga members and supported the development of Afghan legal associations.

Health: Improving the health of the Afghan population, especially women and children
• Since 2002, increased access to basic health care from 8 percent of the population to 84 percent.
• Midwife training programs that contributed to a 22 percent drop in infant mortality.

Infrastructure: Improve infrastructure services, particularly in energy and roads.
• In FY 2010, rehabilitated over 1,800 km of regional and national highways, and provincial and rural roads.

Stabilization: Address drivers of instability and establish an environment for social and economic development.
• Pioneered the District Stability Framework, a tool that utilizes situational awareness to identify key sources of instability, develop activities to diminish or mitigate the causes, and monitor and evaluate the impact of programming.
Little or No Progress in Development in Many Areas

### Development Assessment

<table>
<thead>
<tr>
<th>Date</th>
<th>Region</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>04-Feb-10</td>
<td>6</td>
<td>Sustainable Growth</td>
</tr>
<tr>
<td>16</td>
<td>19</td>
<td>Dependent Growth</td>
</tr>
<tr>
<td>47</td>
<td>46</td>
<td>Minimal Growth</td>
</tr>
<tr>
<td>40</td>
<td>41</td>
<td>Stalled Growth</td>
</tr>
<tr>
<td>10</td>
<td>7</td>
<td>Population at Risk</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>Not Assessed</td>
</tr>
</tbody>
</table>
USAID Dispersal Per Capita in 2010

USAID View of Key Challenges

• **Foundational Investments:** Agree with GIRoA on immediate possibilities for foundational investments that can induce sustainable, long run growth.

• **Resources:** Align USAID and GIRoA resource expectations based on realistic and sustainable planning parameters.

• **Absorptive Capacity:** Increase on-budget assistance while building the capacity of GIRoA to manage resources.

• **Transition:** Ensure sufficient resources for transition period to Afghan leadership and from stabilization to development program.

• **Corruption:** Protect USG resources in areas of high risk for corruption.

• **Civilian-Military Coordination:** Leverage resources for key infrastructure and stability projects.

• **Staffing:** Increase and maintain staffing levels.

• **Project Oversight:** Provide project oversight in insecure areas.

• **Partner Security:** Keep our partners safe under the parameters of the PSC decree.

Prioritizing Assistance Among Competing Resource Demands: Road to Transition

• Identify **minimum development conditions** that should be in place by 2015 to ensure that Afghanistan can successfully continue along its chosen development path

• Align **USG and GIRoA resource expectations** based on realistic planning parameters

• Focus security, governance, and development interventions so as to **increase the legitimacy of GIRoA** in the eyes of Afghans

• Agree with GIRoA on near-term opportunities for **foundational investments** that can induce sustainable, long-term growth

• Address **policy trade-offs** to deal with competing demands for resources

**Priority areas for sustainable and durable development in Afghanistan:**

• **Legitimate, effective governance** through inclusive, representative bodies; effective resolution of conflicts; and reduction of impunity.

• **Robust economic growth** that will generate food security, jobs and trade opportunities driven by development of the agriculture sector.

• **Strong Afghan leadership** through capacity development at national and local levels and USG commitment to accountable on-budget assistance.

UN Estimate of Priorities

UNDAF, 2010, Annex B
The Role of the World Food Program in Afghanistan

The 2007-2008 National Risk and Vulnerability Assessment (NRVA) found that 7.4 million people – nearly a third of the population – are unable to get enough food to live active, healthy lives. Another 8.5 million people, or 37 percent, are on the borderline of food insecurity. Around 400,000 people each year are seriously affected by natural disasters, such as droughts, floods, earthquakes or extreme weather conditions.

In 2008, Afghanistan was hit by both drought and globally high food prices, which saw the price of wheat and wheat products increase dramatically across the country. Despite prices beginning to fall in 2009, they remain higher than normal.

Insecurity is a major and growing concern. Insurgent activity and military operations have affected food security in some regions, undermined reconstruction efforts and restricted humanitarian interventions. Environmental degradation is also a severe problem. War, uncontrolled grazing, pastureland encroachment, illegal logging and the loss of forest and grass cover have worsened drought conditions and reduced agricultural productivity.

While life expectancy has increased slightly to 44.5 years for men and 44 for women, many of the country’s health indicators are alarming. Given a high infant mortality rate, Afghanistan suffers from one of the highest levels of maternal mortality in the world (1,600 deaths per 100,000 live births). More than half of children under the age of five are malnourished, and micronutrient deficiencies (particularly iodine and iron) are widespread.

WFP has been working continuously in Afghanistan since 1963, and is active in all 34 provinces. In recent years, WFP’s focus has shifted from emergency assistance to rehabilitation and recovery. WFP fed about 9 million people in 2009, primarily in remote, food-insecure rural areas. WFP’s food assistance targets poor and vulnerable families, schoolchildren, teachers, illiterate people, tuberculosis patients and their families, returning refugees, internally displaced persons and disabled people – with an emphasis on vulnerable women and girls.

In 2009, WFP assisted more than 4.4 million people through Food-for-Work programmes, which provide food to vulnerable Afghans as they build or repair community assets, including roads, bridges, reservoirs and irrigation systems. These projects are agreed upon in consultation with the government and local communities.

In 2009, WFP relief operations supported over 1.4 million people affected by natural and man-made disasters. Food reached people affected by drought and floods, as well as returning refugees and people displaced by conflict.

A separate appeal spanning August 2008 to July 2009 was aimed at assisting another 5 million Afghans most severely affected by the dramatic increase in staple food prices and drought.

Under a pilot Purchase for Progress (P4P) programme, WFP hopes to buy wheat directly from small-scale farmers for distribution elsewhere in the country, strengthening Afghan grain markets and small-scale producers’ access to them. Through P4P, WFP is also exploring the local purchase of specialized nutritional products, including fortified biscuits.

Under a separate WFP pilot project being launched in Kabul in 2009, beneficiaries receive vouchers instead of food rations, allowing them to buy their choice of food from participating retailers and avoiding distortion of functioning markets.

The Green Afghanistan Initiative (GAIN) is a joint UN programme aiming to improve Afghanistan’s devastated environment. Administered by WFP, the three-year project helps widows and other vulnerable groups build a sustainable livelihood by starting their own nurseries. It also increases natural vegetation and forest cover, trains local officials in environmental protection, and boosts environmental awareness through education.

The United Nations Humanitarian Air Service (UNHAS) provides safe and efficient air transport and cargo services for the humanitarian community around Afghanistan and to neighbouring countries. In 2009, UNHAS carried more than 37,424 passengers and 722 metric tons of light cargo.

Source: http://www.wfp.org/countries/afghanistan
A “Rich” Future? Mining Potential

Source: SIGAR, Quarterly Report, July 2010, pp. 102-103
Development: Continuing Challenges

- Far too much aid still goes to showpiece projects.
- Fiscal controls and accountability still weak. Many corrupt contractors, Afghan power brokers.
- Aid, coupled to lack of adequate accountability and control of all other US and ISAF forms of contracting, still has a near crippling impact in increasing Afghan corruption.
- Still fail to properly validate requirements for many efforts, poor overall prioritization, and much of aid still goes to mid-to-long term projects and efforts of limited priority and practical value.
- Still often fail to provide basic accountability and transparency. Corruption, waste are still critical issues.
- Still often fail to provide credible and meaningful measures of effectiveness.
- Shortage of both experienced and effective aid workers and Afghan government personnel.
- Lack of coordination between donor countries and NGOs.
- Activity often responds to priorities of donor or capitals and not Afghan needs or wartime priorities: National branding.
- Many aid and advisory personnel still lack experience, and rotate in assignments too short to allow them to be fully effective.
- Deteriorating security in many areas sharply reduces ability to operate outside secure areas.
- Efforts at integrated civil-military plans are still largely a facade on the civil side.
- Anti-corruption efforts largely cosmetic and without any broad effect. Afghan power brokers dominate much of activity.
- Hollow “spin” about near to mid term prospects for “new Silk Road” and mining wealth.