AFGHANISTAN

MEETING THE REAL WORLD CHALLENGES OF TRANSITION

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The more one looks at Afghanistan today, the more likely it seems that Transition will at best produce a weak and divided state and at worst a state that either continues its civil war or comes under Taliban and extremist control. More than a decade of Western intervention has not produced a strong and viable central government, an economy that can function without massive outside aid, or effective Afghan forces. There are no signs that insurgents are being pushed towards defeat or will lose their sanctuaries in Pakistan, and outside aid efforts have generally produced limited benefits – many of which will not be sustainable once Transition occurs and aid levels are cut.

There has also been a steady erosion of outside support for the war – first in Europe and increasingly in the US, where some 60% of Americans no longer see a prospect of victory or reason to stay. While governments talk about enduring efforts, each time the US and its allies have reviewed their Afghan policy since 2010, their future level of commitment has seemed to shrink, and more uncertainties have arisen.

The meeting between President Obama and President Karzai in early January 2013 had some reassuring aspects. President Karzai moderated his initial demands and criticisms. President Obama seems to have committed the US to keeping relatively high US force levels through the 2013 campaign season, to requesting the kind of economic aid from Congress that could help Afghanistan get through the economic shock of ISAF force withdrawals and cuts in outside spending, and to helping the Afghan Army stay at levels near 200,000 through FY2017 – if necessary.

Both sides moved away from the tensions that led the US to talk about a “zero option” for US forces in Afghanistan after the end of 2014 and seemed to agree on the need for a realistic strategic agreement that would give the US a presence in, and access to, several bases after 2014, with suitable immunity for US troops.

At the same time, no clear plans emerged for annual aid spending or for the size and basing of future troop and aid efforts, and new tensions quickly emerged over issues like US special force trainers for the Afghan Local Police. Plans for any new offensive campaign in the East were abandoned, and the political climate in the US moved towards a sharper downsizing of the probable US commitment after 2014 and more rapid cuts in US troop levels and spending between the end of the campaign season in 2013 and the end of 2014.

Moreover, a realistic appraisal of the current situation in Afghanistan shows that it will present serious – and potentially fatal – challenges to even a fully-resourced Transition effort. These challenges include major problems in Afghan leadership, governance, the economy, and forces.

A detailed analysis of recent US government, ISAF, and World Bank reporting on the current level of progress in Afghanistan makes it all too clear that too clear that Afghans must do far more to assume responsibility for their own future and make things work on Afghan terms. As a result, the hardest choices have to be made by Afghans. They have to make changes in leadership, governance, economics, and the ANSF that show there is a real incentive for the US and its allies to support and fund a real Transition strategy.
At the same time, there is an equal need for far more US and allied realism about what can be accomplished, the need for serious aid well beyond 2014, and working with the Afghan government to develop meaningful plans. Without major efforts on both sides, Afghanistan may muddle through in spite of this mix of Afghan, ISAF, and donor problems. The more Transition is treated as an “Egress strategy,” the more likely “Afghan good enough” is to turn into “Afghan failed.”
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**Introduction**

The more one looks at the current situation in Afghanistan today, the more likely it seems that Transition will at best produce a weak and divided state and at worst a state that either continues its civil war or comes under Taliban and extremist control. More than a decade of Western intervention has not produced a strong and viable central government, an economy that can function without massive outside aid, or effective Afghan forces. There is no sign that insurgents are being pushed towards defeat or will lose their sanctuaries in Pakistan. This has made every aspect of Transition a high-risk effort.

At the same time there is steady erosion in outside support for the war – first in Europe and increasingly in the US, where some 60% of Americans no longer see a prospect of victory or reason to stay. While governments talk about enduring efforts, each time the US and its allies have reviewed their Afghan policy since 2010, their future level of commitment has seemed to shrink, and more uncertainties have arisen.

This erosion in outside does not mean the US and its allies will abandon Afghanistan at the end of 2014, but it is less and less clear that they will stay on through 2020 or will provide the resources necessary to make Transition successful in the interim. “Transition” can become a post-2014 “exit strategy”: today’s reassuring official rhetoric may become the Afghan equivalent of P. T. Barnum’s famous sign that fooled paying customers into leaving his museum by saying, “This way to the egress.”

The question is just how serious the risks involved are. One the one hand, the combination of Afghan problems and uncertain outside support does not mean that the Taliban and other insurgents will win. The insurgents too have many weaknesses, divisions, and problems in winning public support. The end result of the present Transition effort may be a fractured Afghanistan that divides along ethnic, sectarian, and tribal lines.

This may severely weaken the authority of the central government, but still be composed of a mix of national and local power blocs that are able to contain the Taliban and other insurgents. It may be some mixture of a new form of Northern Alliance; the remnants of “Kabulstan,” other Pashtun elements, and outside aid may be able to replace the current regime without ceding power to the insurgents.

It is all too clear, however, that is not a desirable outcome. The following analysis also indicates that more realistic assessments of the challenges involved do indicate that there are practical steps that could improve the prospects for Transition. Many require action by the Afghans, while others require clearer and longer commitments by the US and other ISAF countries. It is far from certain that such steps can be taken in time, but there are real possibilities for success. Moreover, one thing does seem clear: the more “Transition” becomes an “Egress strategy,” the more likely “Afghan good enough” is to turn into “Afghan failed.”
Current and Future Problems with Leadership, Governance, and the Rule of Law

It is time to take a hard look at the current situation, the problems that remain, and what level of progress is readily credible. Given current real-world trends, Afghanistan now seems likely to become a weak and divided failed state, and outside military and civil aid is more likely phase down to the point where it ends with a whimper rather than a bang.

It is also time to focus on what Afghanistan is and not on what it could be, or might have been. Most of Afghanistan’s most critical problems in becoming “Afghan good enough” are a function of its politics, history, ethnic and sectarian divisions, tribal infighting, and endemic corruption. With these problems, it is pointless to talk about aid efforts and reform plans that will somehow change the situation in spite of the fact that the country has made remarkably little progress to date, constant media reports that corruption and failed governance are as much the rule as the exception, and detailed official reports that make the same points. The real-world issue is whether a combination of self-directed Afghan actions and credible levels of outside aid can still make enough difference to matter.

The Problem of Leadership

The most serious single problem Afghanistan faces is leadership – both now and after the new election in April 2014. It is whether President Karzai will actually move towards enough of the political, economic, and governance reforms the Afghan government promised at Tokyo in the summer of 2014 to offer hope for Transition. It is whether he and Afghan politics will allow an election that Afghans trust; above all, it is whether an effective leader will emerge that can bring together Afghanistan’s key factions in some form of national government and consensus.

Today, no one can predict whether President Karzai will make some final effort to stay in office, whether the Taliban will try to use peace negotiations to gain power, who the next leader of Afghanistan will be if real elections do take place in the spring of 2014, or how Tajik-led Afghan national security forces will react if the ANSF feel their survival is threatened. What is clear is that no one has yet identified a strong, popular replacement for Karzai, a clear path towards forging as much of a national consensus as possible, or a proven leader who can quickly take control of Transition during the most critical period in the withdrawal of outside forces and cuts in aid workers and funds.

What is all too likely is that the next “leader” of Afghanistan will be at least as dependent as Karzai on the weaker aspects of Afghanistan’s real-world power structure. Rather than having some form of broad mandate and mix of support that cuts across ethnic, regional, sectarian, and tribal lines, he will depend on his ability to win the support of a faction of power brokers and warlords, likely becoming steadily more dependent on them as outside forces leave. He will have to try to govern in an Afghanistan where criminal networks and narcotics traffickers assume an increasingly more important economic role.

The end result will be that some new form of regional, ethnic, and sectarian splits create a new Northern Alliance and new local and regional Pashtun factions. The wild cards could
become a form of takeover by the ANSF outside Kabul or a political implosion so serious that insurgents threaten to take over the whole country rather than the small areas they currently dominate.

No future government can avoid a significant degree of dependence on Afghanistan’s current power structure. While outsiders call it “corruption,” Karzai’s focus on balancing power brokers – some with ties to insurgents and others to criminal elements -- is a balancing act that any future leader must also undertake when dealing with the political realities of power.

“Kabulstan” does not control or significantly influence the rest of the country because of elections. The Afghan legislature is too weak and corrupt and there is little real representative government at the provincial and local levels. The President must use his extraordinary level of control over national and aid funds as well as the ability to appoint governors and direct leaders in order to balance one faction against another while trying to increase the power of the central government.

Elections do matter, but largely to the extent they show the Afghan people that there is a new leader who is at least willing to try to moderate and change the current system, that he will break up the current factional structure of power, and that he has the support of a broad range of Afghan factions. In fact, it is the willingness of these factions to come together before or after the election that will probably be far more important than the election itself. Real-world political legitimacy is always a function of how well and how popular governance is, not how or whether it is elected.

Leadership and unity will become steadily more important as aid funds are cut, patronage decreases, and the President becomes more dependent on local and regional leaders while having has less money to spend. Moreover, the quality of regional leadership and the willingness of regional leaders to work together and meet popular needs and expectations will become equally critical. The key political question that will determine the success of Transition after 2014 will not simply be the leader in “Kabulstan,” it will be who remains in actual power in the rest of the country, how well they can actually counter the Taliban and other insurgents, and how well they cooperate with other power brokers.

Unless a very strong new leader emerges as President and can lead with something approaching a national consensus, the country may well be better off if the end result is much stronger local leaders who are popular and effective, complimented by a President willing to deal with them. This may mean ceding some areas to the insurgents, but it may also mean keeping control of most population centers and balancing the different sectarian, ethnic, regional, and tribal factions in ways the formal structure of the Afghan government cannot accomplish.

A Najibullah-like success in “Kabulstan” and the following power struggles and competition for limited funds may well be the fastest route to repeating the Soviet form of failed Transition. To put it bluntly, the case for both continuing outside aid and a continuing US presence should depend on how successful Afghans are in creating a consensus and stronger pattern of leadership. If they fail, neither the US nor its allies have any obligation or strategic rationale to stay.
The Problem of Governance

Leadership, however, is meaningless without governance. Part of the problem in dealing with Transition is that so much attention is given to the quality of elections and the structure of the central government, and so little to the actual quality of governance, how well it functions and meets popular demands in any given area, and how well it competes with the Taliban.

It is scarcely reassuring in this regard that unclassified official reporting has gradually eliminated all of the detailed maps and progress reports that gave some hint of the quality of governance by district, that reporting on the progress of the campaign in critical districts and districts of interest has stopped, and that the transfers of power to date have not been related to any meaningful public assessment of the capacity of local governments and forces to deal with them.

A more realistic official discussion of the current situation in Afghanistan comes from sources like the US Department of Defense’s semi-annual report to Congress. These assessments at least qualify the positive generalizations – and promises that the next aid and reform program will actually work – that come out of far too many high level meetings.\(^1\)

…the long-term sustainability of the Afghan Government is challenged by corruption, ineffective program monitoring, sub-national government budget funding shortfalls, an inability to generate revenues sufficient to cover the cost of government operations, and limited public financial management capacity. Furthermore, poor linkages between the national and sub-national levels of governance and an imbalance in the distribution of power between the three branches of government, with power concentrated in the executive branch, continue to limit effectiveness and legitimacy. Limited human capacity and a lack of appropriate formal training and education within the civil service and Afghan populace also impede the development of stable and sustainable government across Afghanistan.

On June 21, 2012, Karzai called a special session of Parliament to solicit legislative support for carrying out measures to fight corruption and reform civil governance and law enforcement. In July, he issued a 23-page presidential decree, detailing a list of government reforms. The decree has been met with skepticism, since demands and timelines were not combined with a comprehensive financial implementation plan or enforcement mechanisms.

…Additionally, in a shakeup of provincial governors, President Karzai announced on September 20 that he would change the heads of 10 of Afghanistan’s 34 provinces, purportedly as a result of a review carried out by the Independent Directorate for Local Governance (IDLG). These changes involved a few prominent officials that had worked closely with the Coalition, such as Helmand Governor Mangal.

…The judicial branch, with the assistance of the international community, has made increasing progress with regard to training and staffing sub-national judicial positions, and held more public trials this reporting period than during the previous reporting period. Improvements in the reach and function of sub-national governance are being made as the Afghan government develops opportunities for both traditional and formal modes of conflict resolution.

…However, constrained freedom of movement due to security concerns impedes the expansion of rule of law, especially at the district level. The time required to resolve disputes through the formal system exacerbates the separation between the formal and traditional rule of law systems, and contributes to the perception that the Afghan government is ineffective and inaccessible to many rural Afghans.

…The Afghan government remains highly centralized, with budgeting and spending authority held primarily by the Ministry of Finance and other central ministries in Kabul. Service delivery is
implemented by central ministries. Sub-national administrations do, however, continue to engage in limited coordination, planning, and service-monitoring roles, and there are multiple institutional and operational programs in place aimed at improving sub-national governance, including the Afghanistan Sub-National Governance Program (ASGP II), and the Performance-Based Governor’s Fund (PBGF II).

...Sub-national governance structures currently operate to varying degrees of effectiveness at provincial, district, and village levels, and are overseen by the Independent Directorate for Local Governance (IDLG), and the Ministry of Rural Rehabilitation and Development (MRRD). Coordination and cooperation between these two organizations has historically been poor, but recent developments on District Representation (see below) has improved this situation.

IDLG... faces a number of challenges as it takes this work forward, including insufficient operations and maintenance (O&M) funds for sub-national structures, lack of authority over line ministries on recruitment issues, accusations of politicization in the appointment process, and extensive dependency on donor funding and parallel structures. The total governance budget is very low, at just five percent (i.e., $720M) of the overall Afghan budget. Budget execution rates also remain low for two reasons: first, delays in budget approval and disbursements from Kabul ministries, and second, the lack of human capacity at the provincial and district levels to execute the funds.

Provincial councils are elected bodies with oversight but no legislative authority. Provincial Governors are appointed by the President in coordination with the IDLG...There is, however, generally poor coordination between councils, governors, and the provincial line departments of central line ministries, with the latter still determining for the most part how resources are allocated at the provincial level with little regard for local priorities.

This problem is compounded by poor coordination and communications between the Afghan provinces and Kabul. The Provincial Budget Pilot Program (PBPP), introduced last year by the Afghan Ministry of Finance (MoF), sought to improve budgetary planning and communication between the provincial and national levels, by including provincial authorities to a limited degree in the budget planning process for Solar Year SY1392. After a promising start, the program stalled due to funding difficulties, but efforts are underway to address these difficulties and include some PBPP projects in the SY 1392 budget. The World Bank has been helpful to this end. Budgets aside, civil service capabilities continue to be a concern across the country.

The World Bank provided similar warnings in its May 2012 study of Transition:²

Technocratic approaches to state building in Afghanistan have historically had to contend with the nature of politics in the country, where formal office and position are used as resources to balance competing elite interests. The Afghan state—while having a highly centralized, unitary character as embodied in successive Constitutions—has always had weak central control and has needed to build coalitions of common interest with a strong periphery. The use of state position and office as bargaining tools in the wider political process has a long history, ensuring that attempts to introduce modern, merit-based public sector reforms face an uphill struggle ...In the future, the importance of capturing formal office and position as a tool for accumulating wealth, and hence more political power, may intensify in the face of reduced western patronage and a shrinking war and aid economy (Surhkeand Hakimi 2011).

The tensions between a highly centralized de jure state and a strong de facto periphery, and between patronage and merit-based models, lie at the heart of public administration reform in Afghanistan. Progress in building at least the outward signs of a modern bureaucracy has been striking, but these reforms have failed to closely link nascent institutional developments to improvements in state capability and legitimacy. A critical aspect of building this capability in the future will be, i) to delegate greater budget authority and accountability to sub-national units of government, and ii) to develop core civil service capacity both at the centre and at sub-national levels to achieve better service delivery and budget execution outcomes in an increasingly tight fiscal environment.
… The policy and programmatic decisions that have sought to strengthen the link between the central Government and the provinces have created an increasingly uncoordinated and complex web of formal government structures, locally elected bodies, donor-conceived and funded initiatives, and formal and informal local institutions of service delivery and accountability… This has often meant competing institutional agendas and lack of an overall strategic framework for addressing accountability and planning issues at local level. The sub-national administrative bureaucracy (especially the provincial departments of line ministries but also the Governors’ offices) remains poorly resourced and under-skilled to fulfill many of the planning, monitoring and reporting functions being suggested for it. Most significantly, there remains minimal linkage between local planning systems, budgetary resources and decision-making processes, rendering largely theoretical much of the exercise to extend the state down to the local level.

Current efforts to increase provincial participation in budgeting and to adopt a more equitable basis for allocations to provincial line departments are taking place without a wider debate about what is a fiscally sustainable model for sub-national governance in Afghanistan. With some 364 districts in the country the ability of government to maintain and fully staff its districts as well as resource thousands of future village councils is heavily constrained. Currently, most financial flows to provinces and districts are outside the budget and have been heavily skewed toward conflict affected provinces that have received the bulk of donor aid flows.

In 2010/11, for example, Helmand Province received over three times the resources “off budget” that it received through the government’s core budget. This is all set to change. Transition will reduce the flow of these “off budget” resources, which is likely in turn to reduce the levels of current service delivery in these provinces… This may well undermine the gains to state legitimacy that have been made in recent years in some of these areas, as well as the patronage of local Governors that has been built up on the basis of direct access to donor and PRT, resources.

…The challenge for government will be to try, within a much more constrained resource environment, to ensure a more participatory and accountable budget process that does not raise unnecessary expectations, while at the same time improving the efficiency of service delivery.

A decade of promises of change and reform have left the structure of the central government weak and unable to function when the President and/or strong provincial governors interfere, with almost all funds under the direct control of the President. While some Ministries are still effective, corruption is a problem at every level and the overall structure of governance becomes dependent on given provincial and district leaders.

In far too many areas, the actual level of governance does not apply to much of a given district and the Taliban and other insurgents compete against weak government officials in the field. In those cases where governance does exist in the field, much is dependent on the use of aid funds and support from ANSF forces that are equally dependent on aid.

Once again, however, this is an area where Afghans will have to solve their own problems. President Karzai and his successor must be willing to choose governance over power broker support where provincial and local leaders push self-interest and corruption beyond the limits acceptable to the local population.

There need to be more fundamental reforms that give the national, provincial, and district legislature control over significant amounts of national funds and make them truly representative. The grossly over-centralized control of funds needs to end, along with the inability to spend money when and where it is needed. This progress will have to be erratic and evolutionary, but without such progress, both leadership and containing insurgents as well as the more extreme ethnic and sectarian power brokers may become impossible.
The Problem of the Rule of Law

Governance is equally dependent on the rule of law – especially in areas where tribal, sectarian, and ethnic tensions require the rapid resolution of civil and criminal cases. Once again, there are no unclassified maps showing the trends in actually enforcing a meaningful rule of law and partnering it with effective security and governance. The end result is simply too embarrassing to make public.

Moreover, because the various elements of the police are lumped together with the Afghan Army, virtually all reporting on the police force ignores the massive problems in their civil effectiveness, corruption, and lack of ties to the rest of the justice system.

The US Department of Defense summarized these problems as follows as of the end of 2012: 3

Widespread corruption and insufficient transparency remain the main challenges with respect to establishing a self-sustaining rule-of-law system in Afghanistan. The country’s principal anticorruption institutions, the High Office of Oversight and Anti-Corruption (HOOAC) and the Attorney General’s Office (AGO), have minimal political support in encouraging and enforcing transparency and accountability measures within the Afghan government.

Weaknesses within both the formal and traditional Afghan justice systems, and the link between the two, ensure the Taliban system of dispute resolution remains a viable option for segments of the Afghan population because the Taliban process is rapid, enforced, and often considered less corrupt than that of the formal Afghan justice system. Although traditional dispute resolution is often touted as more developed in parts of Afghanistan not under central control, some dispute resolution processes, such as the practice of baad... are inconsistent with international human rights principals.

Overall, progress in rule of law promotion and implementation continue to be mixed. The main challenges include access to the formal justice system, poor enforcement of human rights protections guaranteed by the Afghan constitution, corruption, insufficient transparency, and inadequate security for justice facilities and personnel. The shortage of human capital and the Afghan government’s insufficient political will to operate and maintain justice programs and facilities are key impediments.

To fulfill the requirements of security and sustainability, security transition must include the transition of rule of law activities and assistance from military to civilian support, with an end state of full ownership of all aspects of the justice sector—police, courts, and prisons—by local, provincial, and national Afghan stakeholders.

...Successful rule of law efforts are more likely to be found in transitional areas where Afghan governance followed ISAF-supported stability. Expanding the reach of the rule of law into remaining areas, where the transition from an ISAF security lead to an Afghan lead has not yet occurred, poses a greater challenge as the Afghan government works to stabilize areas simultaneously with building capacity, effective governance processes, and personnel.

At best, it seems likely that most of the real-world rule of law after the end of 2014 will revert to something close to Afghan standards before Western intervention, and many areas will have “prompt justice” on traditional terms, through power brokers and warlords or through insurgents like the Taliban. If Afghanistan follows the pattern of past cases like the US withdrawal from Iraq, the rule of law that outside advisors have sought over the last decade will at best extend to a few urban areas, and even then be both corrupt and tied to local power brokers.
This will not be a bad thing if it is carried out in ways that meet popular needs and expectations, although much of the image of progress in human rights will revert to the grim existing realities in the process. It does, however, mean a steady shift towards meeting the actual needs and expectations of the people. It means limiting graft and corruption to Afghan norms and removing the most egregious figures in the justice system. Again, progress will be erratic and evolutionary and will have to be internally driven on Afghan terms and in the Afghan way, but without such progress both Transition and the rational for continuing outside support will be gravely weakened.

**Demographic Divisions and Pressures**

There is no reliable way to describe the demographic pressures that currently affect Afghanistan or that will help shape Transition, but it is vital that both Afghans and outside aid efforts become more realistic about taking such pressure into account.

Afghanistan is a country under extreme demographic pressure. It has been for decades and it will be for decades more. It is also a country with no meaningful census, statistics that come out of international agencies and sources like the Central Statistics Office that are little more than guesstimates, an unknown number of refugees in neighboring countries, and serious problems with displaced persons and flight to urban areas because of security and economic problems.

**Uncertain Estimates of Total Population and Ethnic, Sectarian, Linguistic and Tribal Divisions.**

While the CIA estimates the total population at 30.4 million as of mid-2012, it also notes that the partial census conducted in 1979 estimated the population then at 33.6 million. It seems likely that any current estimate could have a 15-20% error.

The Afghan Central Statistics Office may provide a wide range of over-precise estimates, but it estimates the total population at very different 26.5 million in 2011-2012, and also acknowledges a high degree of uncertainty – something that far too many aid and international agencies fail to do in providing estimates of progress in education and per capita income that are really little more than analytic rubbish. The World Bank for example, estimates Afghanistan’s total population at 35.32 million in 2011. The UN estimate is dated, but still higher and was 28.15 million as early as 2008. The IMF estimated the population at 32 million in 2012.

The same is true of estimates of the ethnic, sectarian, tribal, and linguistic divisions that further complicate the impact of demographic pressures at every level from the farm and village to the national. There is, however, no doubt that sources like the CIA are broadly valid in estimating the levels of division that Afghan leadership, governance, and economics must deal with:

- Pashtun 42%, Tajik 27%, Hazara 9%, Uzbek 9%, Aimak 4%, Turkmen 3%, Baloch 2%, other 4%.
- Sunni Muslim 80%, Shia Muslim 19%, other 1%
- Afghan Persian or Dari (official) 50%, Pashto (official) 35%, Turkic languages (primarily Uzbek and Turkmen) 11%, 30 minor languages (primarily Balochi and Pashai) 4%, much bilingualism, but Dari functions as the lingua franca.
What is clear is that the divisions – and further regional and tribal divisions – shape and divide much of Afghanistan and that Karzai’s political juggling act has won him temporary support – much of it financed with foreign aid – that will only last as long as the central government can both threaten and bribe.

**Short-Term Demographic Pressures**

Short-term pressures will have an immediate impact on Transition. Uncertain as the numbers are, virtually all sources agree that over 40% of Afghanistan’s population is 14 years of age or younger.

Even if one only looks at the period from 2002 to 2015, the population will rise from 26.6 million in 2002, when the present major external aid effort began, to nearly 32 million at the time of Transition – a greater than 20% increase.\(^9\)

Moreover, looking at development and employment, an agricultural society with critical water and land density problems faces the significant challenge of making increases in the Afghan labor force that the CIA estimated totaled 392,000 men and 370,000 women in 2010.\(^{10}\) In some studies of Afghan development, the job creation impact of “success” in development falls far below this rate of increase in the labor force creating major increases in the problems of direct and disguised unemployment in spite of the projected benefit from development projects..

**Broader Demographic Pressures**

It is also time to take a hard look at how ethnic, sectarian, tribal and regional problems interact with broader demographic stresses. Again, it is important to stress there are no reliable estimates in a country whose population is estimated to range from 26.5 to 35.32 million, but the US Census Bureau almost certainly is correct in reporting and projecting trends that indicate just how much stress the current population of Afghanistan has been under.

The Census Bureau estimate tracks broadly with the CIA estimate, and the Census Bureau estimates that Afghanistan had a population of only 8.2 million in 1950, 9.9 million in 1960, 12.4 million in 1970, 15.0 million in 1980, and dropped to 13.6 in 1990 as a result of the Soviet Invasion. Since that time, the population rose to 22.5 million in 2000 and 29.1 million in 2010.\(^{11}\)

Barring radical changes in social values, the Census Bureau is also probably correct in estimating the degree to which these pressures will affect Transition through 2020 and beyond. The Census Bureau estimates that the population will rise to 36.6 million in 2020, 45.7 million in 2040, and 63.8 million in 2050 – in spite of the fact it also estimates a drop in the fertility rate from 8.0 in 2000 to 5.9 in 2020 and 2.8 in 2050.\(^{12}\) It is striking that that World Bank and other leading agencies looking at Transition do not address these issues even through 2020.

**The Current Economic Situation and the Challenges for Transition**

A Successful Transition will require both Afghans and donors to take a realistic look at the economic impact of cuts in military and aid spending, Afghanistan’s real-world level
of per capita income, gross inequities in economic distribution, and need for internal economic reform as a substitute for high levels of aid and outside investment.

Far too much official reporting on the economic situation and Afghanistan’s prospects for the future is based on grossly uncertain data; favorable trends in macro-economic growth data are often decoupled from the real-world living conditions of most of Afghanistan’s people. Development reporting stresses the success of projects as measured by the total cost in aid money, without analyzing how well the money is spent, the success of the end result, or the resulting impact on overall economic success.

There is a systematic lack of professionalism and integrity in the economic reporting and claims of progress by agencies like USAID and international bodies like the World Bank. They do not explain and justify their sources, explain their credibility, or provide an estimate of uncertainty. Instead, they “cherry pick” figures to justify their funding and plans.

They do seem to agree more on economic data than population data in some respects. The CIA for example, estimated the Afghan GDP at $18.01 billion in market terms in 2011, and $29.74 billion in PPP (purchasing power parity) terms. The World Bank estimated it at $19.18 billion in 2011-2012. The Afghan Central Statistic Office estimated it at $18.95 billion in 2011-2012 in market prices and at $20.1 billion if measured in terms of total gross domestic consumption. The IMF estimated the nominal GDP at $17.0 billion in 2010-2011. The UN estimated it at $18.9 billion in 2011-2012 in market prices and at $20.6 billion if measured in terms of total gross domestic consumption. The IMF estimated it at $19.8 billion in what seem to be market prices in 2012.

The problem is that such estimates all seem to be using roughly the same model for estimating market value without considering the uncertainty in the data, or explaining how the data are gathered, the differences between market and PPP estimates, and how dependent GDP is on outside aid and military spending, and on income from narcotics.

More broadly, outside and Afghan estimates use such data to claim progress in GDP growth and income per capita without analyzing income distribution or the success of given efforts in improving the life of given segments of the Afghan population. They also seem to draw uncritically on Afghan claims for other key data, and quote education statistics that are impossibly precise – that disguise major uncertainties about the credibility and conflicts between data on students, teacher numbers and increases, and school numbers and increase – and that are little more than unvalidated claims.

Transition planning – and aid planning – require realistic data or at least a parametric estimate of how uncertainty will affect Afghanistan’s problems as outside aid and military spending decline and it becomes more dependent on internal income from sources like narcotics. In practice, no improvement has been made in such estimates since a previous analysis of these problems in the reporting on even the most basic statistical data on Afghanistan that was issued in September 2012:

The underlying GDP data suffer due to a lack of government capacity and access, which prevents accurate economic measurements from being taken, especially in the countryside.

The data suffer from the exclusion of narcotics, re-export smuggling, and other black market activity that contribute significantly to the overall size of the national economy. The data further
excludes informal household-level economic activity, which is also quite significant. The data suffers, finally, from the inherent biases introduced by the massive infusion of development and military aid spent in the country, which makes its way into the national economy through both licit and illicit channels.

Unfortunately neither the Afghan Central Statistics Organization nor any other source provides a credible breakdown of GDP by sector, district, or province; or shows it has a credible basis for estimating the GDP in either market or PPP terms. They do not explain how the standard methodologies for calculating GDP provided in the 2008 System of National Accounts recommended by the UN and World Bank could possibly be applied towards an economy distorted by external spending, corruption, and the black market.

They do not explain how figures could be collected from those districts controlled not by the government but by insurgents, an area including large parts of Paktika, Zabul, Kunar, Nuristan, and other provinces. Given these difficulties, it is noteworthy that such precise GDP numbers are provided without any indication of the percentage of uncertainty involved.

The Purchasing Power Parity (PPP) adjusted GDP figures stand 64-72% higher than the figures for GDP calculated at market exchange rates. These estimates suggest that future decreases in aid reaching the Afghan people will have a disproportionate effect, given that a dollar spent – or not spent – in Afghanistan could have purchased roughly 1.7 times the amount of goods that same dollar could purchase in the US.

Furthermore, problems with even less reliable economic data from the years of Taliban rule and civil war prior to 2001 make it difficult to make meaningful economic growth estimates or comparisons to those time periods. The trend data on economics are particularly suspect because it is unclear if there is any valid base point to be used in calculating such trends. In fact, many estimates are actively dishonest exercises in “spin,” that use the worst Taliban year as their base point, often measuring in market GDP terms, and then acting as if steadily rising wartime and aid spending was somehow a sign of valid progress in the domestic economy and investment.

There has been very real progress in Afghanistan since the fall of the Taliban, but much of the “improvement” in every measure — not just GDP — can be traced to unsustainable levels of external military and aid spending or using 2002 – the worst case year after the Taliban’s fall as the baseline. These indicators also use the worst data point in a wartime environment for the most negative methods of measurement, which compounds the fundamental dishonesty in such reporting and ignores the possible scale of the challenge posed by transition.

There are severe limits in the ability of the Afghan government to even spend money, much less spend it wisely. The incredible overhead costs of contractors, security, corruption, and power brokers are disguised or avoided. Dependence on criminal networks and a narco-economy, rising capital flight, extraordinarily poor equality in income distribution, dependence on the World Food Program to deal with serious malnutrition, and large-scale disguised and direct unemployment are understated or ignored.

UNAMA – the UN Agency that is supporting and coordinating the aid effort – has never issued any meaningful report on the overall aid effort. The US, Obama Administration, State Department, and USAID talk about the economic aspects of Transition in Afghanistan in broadly favorable terms as if it was quickly moving towards development.

The positive reporting on the economy and governance that comes out of the UN, ISAF, IMF, and most member countries has shown a similar focus on broad estimates of GDP growth, while the Tokyo Conference largely ignored the sheer scale of scale of the challenges the Afghan government and donors face.
The reality is that Transition may be threatened more by Afghanistan’s near and mid-term economic prospects than by its leadership and governance problems and the insurgent threat. Afghanistan must radically restructure the way it uses aid between 2013 and 2015 as many outside aid workers disappear and funds are cut off for the Afghans they employed. It must convince donors that they can work through the central, provincial, and local governments in ways where aid money is actually used to benefit the people and bring economic stability. It must have outside support in focusing on reforming its own economy and reducing government barriers to development.

It also will need significant economic aid well beyond 2016 to help it through the recession that is almost certain to come with cuts in outside military spending and aid. The focus will be on stability, on meeting urgent Afghan needs, and only later on development. It is also clear that no miracles are coming in terms of some new Silk Road, near-term Chinese investments in minerals, or pipelines. Recovery from cuts in outside spending and any real growth in the economy will have to focus on Afghan agriculture, the service sector, and light manufacturing.

This means aid will have to be carefully targeted and tailored to the levels Afghanistan can actually absorb, but it still means spending billions of dollars a year at a time when the US and Europe both face serious fiscal pressures and have other, and greater, strategic priorities. It also means quickly rethinking the role of foreign aid workers. The US, for example, is already reported to be preparing to move many of its PRTs out of the field during 2013 and to cut its forward positions from roughly 90 in mid-2012 to only five by the end of 2014. It is far from certain that outside states will provide the level of economic support and aid the Afghan government needs for Transition.

An Economy Based on Dependence

To understand the forces at work, it is necessary to understand that a combination of outside aid and military spending has driven the growth of the Afghan economy and has totaled at least 7-11 times the revenue earning power of the Afghan government. The kind of “positive” reporting that has focused on uncertain estimates of GDP growth has been decoupled from reality to the point it ignores the real-world risks in Afghanistan’s prospects for Transition, ignoring both what will happen as this spending is cut and the human factors involved.

For example, the CIA estimated in early 2013 that the Afghan GDP per capita was only $1,000 in 2011, which ranked a dismal 217th in the world. The CIA also warned that, 20

Afghanistan's economy is recovering from decades of conflict. The economy has improved significantly since the fall of the Taliban regime in 2001 largely because of the infusion of international assistance, the recovery of the agricultural sector, and service sector growth. Despite the progress of the past few years, Afghanistan is extremely poor, landlocked, and highly dependent on foreign aid. Much of the population continues to suffer from shortages of housing, clean water, electricity, medical care, and jobs.

Criminality, insecurity, weak governance, and the Afghan Government's difficulty in extending rule of law to all parts of the country pose challenges to future economic growth. Afghanistan's living standards are among the lowest in the world. While the international community remains committed to Afghanistan's development, pledging over $67 billion at nine donors' conferences between 2003-10, the Government of Afghanistan will need to overcome a number of challenges,
including low revenue collection, anemic job creation, high levels of corruption, weak government capacity, and poor public infrastructure.

Once again, such estimates are extremely uncertain, and this time sources again sharply disagree. For example, the Afghan government’s Central Statistics Organization calculated GDP per capita of $629 in 2010-2011, which suddenly leaped to $715 in 2011-2012—evidently because of higher disbursements in aid and military spending and a low estimate of population growth. The UN put GDP per capita at $586 in 2011. The IMF estimated the GDP per capita in current prices at $620 in 2012, and the per capita income in PPP terms at $99.3. The World Bank estimated GNI per capita at only $470 in 2011. This made the CIA estimate of Afghan per capita income roughly 2.1 times the World Bank estimate—which may be a result of different methods and definitions but highlights the need for any reputable reporting on progress in Afghanistan to explicitly explain and validate the use of statistical data and show the range of uncertainty in other sources.

It also again highlights the failure of international organizations and US agencies like USAID to examined the validity of any of the progress numbers they use—include data on education, medical care, and numbers of Afghan affected—make it impossible to trust any aspect of their statistics.

Nevertheless, most outside agencies do agree that the CIA is correct in drawing its broad conclusions. For example, the World Bank warned in its May 2012 evaluations of Afghan prospects for Transition that Afghanistan remains one of the world’s least developed countries, with a per capita gross domestic product (GDP) of only $528 in 2010-11. More than a third of the population live below the poverty line, more than half are vulnerable and at serious risk of falling into poverty, and three-quarters are illiterate. Additionally, political uncertainty and insecurity could undermine Afghanistan’s transition and development prospects.

The large aid inflows that have benefited Afghanistan have also brought problems. Aid has underpinned much of the progress since 2001—including that in key services, infrastructure, and government administration—but it has also been linked to corruption, poor aid effectiveness, and weakened governance. Aid is estimated to be $15.7 billion—about the same as the size of the GDP in fiscal year 2011.

Despite the large volume of aid, most international spending “on” Afghanistan is not spent “in” Afghanistan, as it leaves the economy through imports, expatriated profits of contractors, and outward remittances. Other countries’ experience shows that the impact of large aid reductions on economic growth may be less than expected. The main issue is how to manage this change, mitigate impacts, and put aid and spending on a more sustainable path.

Key questions about Afghanistan’s growth relate to its sources and sustainability. Even taking into account the stagnation of real GDP during the previous 25 years of conflict and the subsequent post-conflict economic rebound, growth—especially in the latter part of the past decade—appears to have been stimulated by enormous inflows of aid and international military spending. Afghanistan has become an extreme outlier in its dependence on aid. Trends in aid dependence are downward for all three groups of comparator countries. Strong performers on average have initially higher aid dependency ratios, but steeper declines than the other two groups, partly reflecting more rapid economic growth.

…Political uncertainty and insecurity could undermine Afghanistan’s transition and development. International experience demonstrates that violence and especially protracted internal insurgency are extremely damaging to development, and that political stability and consolidation are key ingredients of transitions to peaceful development. This underlines the importance of reaching a
peaceful solution to the Taliban insurgency, and the need for political consolidation particularly in the run-up to the next election cycle. (The presidential election is to be held in 2014, and parliamentary elections in 2015.) But if there is worsening insecurity and increasing uncertainty about longer-term stability, Afghanistan’s development prospects will be harmed.

Political consolidation is not the only pressing issue that needs to be tackled. Afghanistan’s political economy over the past 10 years has been shaped by large inflows of aid, which provided benefits to various groups from the associated rents and contracts. Given these distortions, returning to a more “normal” economy with much lower aid inflows will not be easy and will require continued and concerted international support.

Afghanistan’s political elite will need to rise above short-termism, factionalized politics, widespread patronage, and corruption and more consistently pursue a medium- to longer term national agenda. This will require political consolidation and a broad-based coalition for peace and reconciliation. And the international community will need to move beyond viewing transition just in security terms, as a way to exit, and start seeing it as an opportunity to enhance the coherence and effectiveness of its assistance and pursue realistic developmental objectives over the longer term.

There is much that both partners can do to make transition more likely to succeed from the broader and longer-term perspective taken here. While challenging, the fiscal, government capacity, service delivery, economic, and poverty dimensions of transition can be managed, provided that the overall security and political context of transition (including the regional environment faced by Afghanistan) is conducive.

…A gradual fall in aid might be beneficial in the long term as it would reduce distortions in the economy caused by the extraordinarily high levels of aid in the past. A rapid decline could, however, lead to major macroeconomic instability and serious socioeconomic consequences. Future aid flows need to be carefully programmed to allow the economy to adjust to new opportunities for growth from mining (especially), agriculture, and services.

Making aid more effective can mitigate some of the negative impact of the fall in aid. Raising the local content of aid could do this, through shifting more aid on budget and increasing opportunities for local vendors to participate in aid contracts.

Rather than declining aid, however, deteriorating security and governance are likely the largest risks to the economic outlook. Efforts to sustain or improve security—as well as to bolster the legitimacy of the state—will remain of utmost importance.

The Independent Evaluation Group of the World Bank warned in its 2013 evaluation of the progress in Afghanistan’s economy during 2002-2011 that,27

Despite gains in building a stable central government, Afghanistan remains fragile and dependent on the international community. President Karzai won a second five-year term as president in the 2009 election, but the results were disputed and accepted somewhat reluctantly. The constitution also provides for elected provincial, district, and village councils. While provincial councils held elections in 2005 and 2009, they are still seeking to find effective roles in securing provincial development, and district and village councils have not yet been elected or established.

….The government has taken steps to lay the foundation for economic stability and growth, despite a very difficult security situation and the challenges associated with building political and economic institutions. Economic activity has been robust, with real gross domestic product (GDP) growth averaging more than 10 percent annually over the past five years. Revenue collection increased to 11 percent of GDP in 2010/11 from 8 percent in 2008/09.

However, current revenue covers only about two-thirds of central government operating expenditures and less than 20 percent of total public spending. Inflation has been rising, and confidence in the banking sector has been low since the collapse of Kabul Bank in September 2010. Security spending rose by 1.3 percent of GDP, while non-security spending dropped by 0.7 percent of GDP from 2009/10 to 2010/11, as recruitment for the Afghan National Army grew by
over 30 percent. The operating budget deficit, excluding grants, remained broadly stable at 4 percent of GDP, but development spending fell by 1.7 percent of GDP, and budget execution rates remain low, due to capacity constraints, difficulties in public financial management, and a worsening security situation (IMF 2011).

It is also important to understand there is nothing “worst case” about such analyses. The World Bank made these estimates under conditions where its status as a client of the Afghan government meant it had to largely ignore key factors like the effectiveness of aid, waste and corruption, the role of narcotics in the Afghan economy, capital flight, welfare and relief costs, worst case assumptions, major uncertainties in the data, and the probable impact of continuing power struggles and conflict – omissions which meant it had to sharply underestimate the problems of Transition.

**Betting Transition on Aid that May Never Come to a Government Too Ineffective and Corrupt to Use it Effectively**

Both the Afghan government and donors need to urgently address these realities and work out real-world aid plans that look at least five years into the future and ensure the Afghanistan government will receive a regular annual flow of the aid it needs and can absorb.

So far, the Afghan government has responded with aid requests that are unlikely to be met on any sustained basis, as well as by making unrealistic promises of reform and projections of its ability to raise domestic revenues. In a White Paper it circulated in November 2011 in preparation for the Tokyo conference in July 2012, there was a request of some $120 billion in future civil and military aid during a Transition period that extended to at least 2025.28

Based on our initial analysis we must look to donors to finance approximately 47% of GDP or approximately $10 billion in 2015. At first glance, this figure may look enormous. However, it reflects a 40% reduction from current aid levels, and it is expected to decline over time. The Government takes the challenge donors will face in maintaining this level of assistance seriously, but notes that when compared to the current spending of the International Community it is small. The current estimated cost of the international military presence in Afghanistan is $140 billion per year; 7% of total 2011 security costs is sufficient to fund the entire gap. This cost savings can facilitate Afghanistan's passage to a future that is not aid-dependent. A long-term funding commitment by the International Community, declining over time and ending in 2030, would provide the necessary stability in financing to allow Afghanistan to arrive at a stable and prosperous future.

To be successful, this financial support should be defined in two categories: security assistance and non-security assistance.

**Security assistance.** Based on current analysis the Government of Afghanistan believes it will be necessary for the donor community to fund the cost of the Afghan security forces through 2025. The Government will continue to contribute to the recurrent cost of maintaining the security forces. The Government commits to work closely with the International Community to develop strategies to reduce the number of troops, and their recurrent maintenance costs.

**Non-Security assistance.** We ask the International Community to work with Government to implement the NPPs in a manner that creates conditions where strong economic growth is enabled and the root causes of insurgency are diminished. Donor funds will used to achieve the commitments laid-out in this document and to achieve our shared goals of improved public financial management, reduced vulnerability to corruption, broad political and institutional reform, improved public service delivery, a strong enabling environment for growth, and direct poverty
Unrealistic Afghan Pledges

The Afghan government can make some reforms, but it needs to be more realistic and promise what it can actually deliver. It made the following pledges of reform and anti-corruption measures in issuing the above request for aid, but they are pledges it is no more likely to keep than the others it has made over the last decade. Afghanistan still ranked a dismal 174th out of 176 countries in the Transparency International corruption ranking at the end of 2012.

The Government of Afghanistan is committed to building a secure, prosperous, democratic Afghanistan based on fiscally sustainable private sector-led economic growth, well-governed and transparent government institutions, and mutually beneficial regional economic cooperation. We will set priorities and take difficult decisions to embrace reform and make effective use of international assistance, in accordance with the following objectives:

- Increasing Government capacity and building on structural reforms to improve public service delivery;
- Strengthening public financial management systems, improving budget execution, and increasing revenue collection, including phased implementation of a value-added tax;
- Increasing transparency and accountability to prevent corruption;
- Creating a strong enabling environment for private sector investment, including public-private partnerships in social and economic development, supported by adequate regulatory and institutional reforms and a robust financial sector; and
- Working closely with the International Community to develop strategies to reduce overall security costs.

Progress towards the achievement of these objectives is vital. They will help us to reach shared goals for improved security, governance, and development. The Government believes that clear, mutually agreed targets, pursued with the International Community, are the best means for monitoring our joint performance. For these reasons, and with the support of the International Community, the Government commits to:

- Improve Afghanistan’s ranking in the Transparency International’s Corruption Perception Index, moving from a current rank of 176 to a rank of 150 within three years,
- Improve by 15 positions on the IFC’s [International Finance Corporation] Doing Business Survey within three years, and maintain or improve our ranking on each of the ten indicators,
- Grow the ratio of revenue collection to GDP from 11% to 15% within four years, and to 20% by 2025,
- Within five years: to improve the management of public funds as measured by the PEFA [Public Expenditure and Financial Accountability] assessment by 20%, to improve transparent accountable use of public funds measured by the Open Budget Index to 40% and to improve budget execution to 75%, and
- Improve our score in the UNDP human development index by 25% in the next three years; and by 50% in the next ten years.

The Government of Afghanistan believes that with the support of the International Community these commitments are realistic and achievable.
The Kabul Process, initiated at the London Conference January 2010 and formalized at the Kabul Conference July 2010, provides the framework for partnership and mutual accountability for the Afghan Government to assume full responsibility for security, development and governance and the realization of a secure country with a sustainable economy.

The Government will continue to employ the Kabul Process including increased donor engagement to channel international support for the specific activities that can further these overarching objectives. These activities will support the Government of Afghanistan to develop policies and undertake programs aimed at: (a) achieving financial sustainability through future revenue streams by creating critical infrastructure that is sustainable and can be supported by Afghanistan’s budget, (b) reforming and creating critical institutions for effective governance, (c) increasing productivity in agriculture and rural areas for growth, poverty reduction and increased food security, (d) strengthening rule of law, and continuing improvement to Afghanistan’s legal framework, (e) establishing an enabling environment for private sector-led growth and private investment, including a strong financial sector, secure access to capital and transparent responsible regulatory environments, (f) building skilled human capital, (g) achieving economic and social stability through increased access to improved job opportunities, (h) strengthening regional economic integration through initiatives such the New Silk Road vision and the Central Asia Regional Economic Cooperation (CAREC) Program to promote trade, facilitate transit, expand market access and support economic growth.

**Unrealistic US and Donor Promises**

At the same time, it is far from clear that outside countries are actually willing to sustain the aid efforts their policy statements call for. The Tokyo Conference in July 2012 only produced broad aid pledges decoupled from any clear plan or year-by-year commitment, and no real economic plan for Transition has been issued since that time.

As a result, the December 2012 semi-annual report to the US Congress by the Department of Defense – the “1230 Report” – could say little more about aid funding than repeat the content of the press releases issued during two major international conferences in the spring and summer of 2012.31

On July 8, 2012, representatives from the Afghan government, international community, and civil society met in Tokyo to discuss the future development of Afghanistan. The Tokyo Conference was held to define the international community’s commitment to a Transformation Decade and for the government of Afghanistan to establish a clear reform plan. Participants issued a communiqué announcing the intent of the international community to provide $16B for Afghanistan’s development through 2015 and included a Mutual Accountability Framework (MAF) setting specific, measurable reform goals to improve Afghan governance and development performance. The United States pledged to request from Congress assistance levels at or near the levels of the last decade. Over the long term, Afghanistan and the international community pledged to increase the country’s self-reliance and gradually reduce assistance levels.

The Tokyo MAF established the mutual commitments and responsibilities for both the Afghan government and the international community (IC) to help sustain Afghanistan’s development gains of the last decade, improve the effectiveness of international assistance, steadily reduce Afghanistan’s reliance on international aid, and improve governance to maintain stability. Afghanistan’s performance in the five following major areas will be monitored: a) Representational Democracy and Equitable Elections; b) Governance, Rule of Law, and Human Rights; c) Integrity of Public Finance and Commercial Banking; d) Government Revenues, Budget Execution and Sub-National Governance; and e) Inclusive and Sustained Growth and Development. For its part, the international community committed to sustain financial support for Afghanistan’s economic development through the Transformation Decade, and reaffirmed its Kabul Conference Commitments to align 80 percent of aid with NPPs and channel 50 percent of 105 aid through the Afghan national budget.32 In addition, the international community agreed to
work with the government of Afghanistan to improve the mechanisms for assistance delivery to better align with international principles of effective development.

Later in July, the Afghan government prepared a draft Tokyo Framework implementation plan to present to the international community. The paper was a positive step towards establishing the themes, goals, indicators, milestones, and responsible agencies necessary for implementing the commitments of the Tokyo Framework. After receiving input from international donors, the government of Afghanistan approved the implementation plan in late September and plans to present the final process, including specific milestones for each framework goal, at the October meeting of the Joint Coordination and Monitoring Board.

The participants agreed to follow-up meetings, which will take place at the ministerial level every two years and at the senior official level in alternate years. The level of progress will be monitored at more frequent intervals by the Afghan-UN-led Joint Coordination and Monitoring Board (JCMB). The first ministerial review of Tokyo Commitments will take place in London in 2014.

The United States, as well as NTM-A, continues to work through diplomatic channels and international organizations to encourage Allies and partners to continue providing assistance for the sustainment of the ANSF. At the May 2012 Chicago NATO Summit, NATO and ISAF Partner Nations made a political commitment to provide funding for ANSF sustainment after ISAF’s mandate ends in 2014. An enduring ANSF, as envisaged by the international community and the Afghan government, requires an estimated annual budget of approximately $4.1B. The Afghan government has agreed to provide roughly $500 million annually of the total cost, progressively increasing its share of financial responsibility for maintaining its security forces over time. Given Afghanistan’s current economic and fiscal constraints, the international community pledged to contribute the remaining amount for three years beginning in 2015.

The Department’s analysis of the problems the Afghan government faced was, however, yet another warning that Transition might fail on economic grounds alone:

Despite measured progress in revenue generation, Afghanistan’s fiscal sustainability ratio (a measure of domestic revenues to operating expenses) is still one of the worst in the world. Projected revenue for 2012 is expected to cover about 2/3 of the central government’s operating expenditures yet provide less than 20 percent of the total estimated public expenditures budget. In the first quarter of CY 2012, the fiscal sustainability ratio dropped below 60 percent, due to proportionally higher increases in operating expenses, but rebounded in the second quarter to approximately 80 percent.

Despite the improved fiscal sustainability ratio, economists remain concerned about Afghanistan’s fiscal sustainability as revenues are slightly below projections and government expenditures continue to increase. As Transition continues, the necessity to absorb additional expenditures for operations and maintenance (O&M) costs – as reconstruction/infrastructure projects are transferred to the Afghan government – will further strain the ability of government revenues to cover fixed operating costs.

…In the medium term, the international community has pledged to provide assistance to help fill the fiscal gap between domestic public revenue and total public expenditures. At the July Tokyo Conference, donors promised $16B in civil assistance through 2015; this amount is in addition to donor pledges made in the run up to the May NATO Summit, which were focused on security assistance of $3.6B and an Afghan commitment of $500M annually to support the Afghan police and military from 2015-2017. Together, these sums align with the World Bank’s baseline scenario of the levels of foreign assistance, roughly $8B annually, needed to fill the gap, although World Bank notes that this level of assistance will be needed well beyond 2015.

…Revenue generation will only be beneficial in so far as the Afghan government has the capacity to spend its budget in prioritized areas effectively. Budget execution, while showing improvement from SY1389 to SY1390, continues to struggle to meet donor expectations, especially with regards to the development budget.

…Under the Tokyo Mutual Accountability Framework, the Afghan government is expected to
improve its development budget execution rate to 75 percent by 2017. As donors look to increase on-budget funding to at least 50 percent, in accordance with pledges, the amount of funding that must be utilized will increase substantially over a short period and require the Afghan government to significantly, and potentially unsustainably, accelerate its spend rate.

Limited public financial management capacity remains one of the primary challenges hindering public sector program implementation and public service delivery. More specifically, the Afghan government cites capacity constraints at the national and sub-national levels; weak planning and budget formulation; donor earmarking of funds and funding delays; and communication challenges across ministries, donors, and sub-national entities as key challenges.

An additional long-term concern is the retention and integration of the externally funded Afghan “second civil service,” a cadre of skilled civil servants funded by international donors at a higher rate than the regular service in order to expand technical assistance and capacity in line ministries and, in some cases, to help execute donor-funded projects. Although the externally funded Afghan staff represents only roughly 3.9 percent of the total workforce, they account for an estimated 31.9 percent of total payroll costs, according to 2011 World Bank survey of eight key ministries and one agency. The Afghan government has little ability to absorb the cost of these higher salaries, which may jeopardize the transfer of valuable program management and service delivery competencies into the regular service.

None of these official sources came to grips with the need to provide real-world annual aid plans – plans that require constant dialogue and revision – or aid plans that deal with challenges posed by corruption, power brokers, heavy dependence on a narco-economy, waste, or capital flight. Donors failed to address the lack of any coherent aid planning by UNAMA or by “failed” agencies like USAID on a national level. With two years to go before the end of Transition in December 2014, they did not address the lack of coordination between donors and with the Afghan central government, or failures to control contractors, develop valid requirements for spending, and develop meaningful measures of effectiveness. More broadly, the discussions involved decouple the assessment of economic and development issues from an assessment of the current security situation and the current and probable capabilities of the Afghan National Security Forces.

Put simply, it is time to get real, to produce plans that can be trusted and actually implemented, and create plans that tie together both civil and security needs. It is time to develop transparent and regular reporting on Afghan and aid progress, clear statements of key requirements and measures of effectiveness. The fact that aid has good intentions is not an excuse for continued incompetence.

Uncertain Military Progress: Tactical Encounters Do Not Measure Overall Progress or Success

It is equally important to realize that unless the Taliban and other insurgents fundamentally change their behavior, their peace-negotiating efforts are likely to be tactical extensions of their current demands and struggles. They have strong incentives to continue fighting through and after Transition at the end of 2014, and the Afghan government will have to deal with military challenges for the foreseeable future.

Moreover, any realistic assessment of both the current situation in Afghanistan and the prospects for Transition must be realistic about the lack of clear progress in the overall fight against the Taliban and other insurgents as well as the problems in creating Afghan
forces. ISAF and the US have tended to focus on the “positive” trends in the fight and ANSF in ways that are all too close to the “follies” in Vietnam.

**Lack of Recent Progress in the Fighting**

One key problem is the public focus on the tactical and military dimensions of the insurgency to the exclusion of the political dimensions of the struggle coupled with the extent to which they have made EIAs – enemy initiated attacks – the new equivalent of body counts.

**Real-world Trends in Unclassified Metrics**

As **Figures One to Six** show, there is no clear pattern of military success after 2011, and there are as many metrics that show a constant or increasing level of violence as there are that show any progress.

- **Figure One** shows that there has been no meaningful overall improvement in combat statistics over the last year.
- **Figure Two** shows how a carefully rigged portrayal of the trends in EIAs can exaggerate progress – although even this chart now shows meaningful shifts during 2011.
- **Figure Three** reflects the trend in Significant Acts that was the focus of most reporting on combat trends during the surge in the Iraq War. The overall decline from 2010 to 2011 needs to be contrasted with the trend in 2009, showing that combat in 2011 was more intense than in 2009 when the surge began.
- **Figure Four** illustrates how defining IED incidents can be used to show more positive trends. In this Figure, total IED attacks increased between 2010 and 2011.
- **Figure Five** shows total civilian casualties, rather than a metric tied to ISAF and ANSF activity. The numbers in 2001 are higher than in both 2009 and 2010.
- **Figure Six** shows the insurgent’s ability to find a new political focus for military activity: green on blue attacks.
**Figure 1: OSD Assessment of Security Metrics 2011 – 2012, Year-over-Year (YoY)
Change April 1 – September 30**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Total EIAs</th>
<th>High Profile Attacks</th>
<th>Direct Fire</th>
<th>Total IED Events</th>
<th>IED and Mine Explosions</th>
<th>Indirect Fire</th>
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<td>% change from 2011 to 2012</td>
<td>+1%</td>
<td>+2%</td>
<td>+10%</td>
<td>-3%</td>
<td>-12%</td>
<td>-5%</td>
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</table>

Source: ISAF, October 2012.

Note: Metric definitions: High-profile attacks (HPA) are currently defined by ISAF as explosive hazard events, where certain executed IED attacks are taken into account. Considered are only Person-borne IED (PBIED) attacks, suicide vehicle-borne IED attacks (SVBIED), and vehicle-borne IED attacks (VBIED). Enemy Initiated direct fire occurs when effects are delivered on a target that is visible to aimer or firing unit and uses the target itself as the point of aim. Enemy Initiated indirect fire occurs when fire is delivered on a target characterized by a relatively high trajectory and where the operator typically fires from a distance beyond line-of-sight or from a position where visual contact with the target is not possible. IED and Mine Explosions occur when an IED or a Mine (which has not been stacked, altered or used in some improvised manner, which would make it an IED) event results in the partial or complete functioning of the IED or Mine. Total IED Events comprises both executed and potential IED attacks. Executed IED attacks comprise IED explosions and mine strikes, while potential or attempted IED attacks comprise IEDs and mines that were found and cleared, premature IED detonations, and IED turn-ins.

**Figure 2: ISAF Assessment of Nationwide YoY Change for Monthly Enemy-Initiated Attacks (April 2009 – October 2012)**

ISAF Observations

- Enemy-initiated attacks over the last 3 months are 10% lower compared to the same quarter last year.
- After rising in May and June, EIAs continued to drop through October.

**Definition:** This chart shows the year-over-year change in enemy-initiated attacks (EIA). The total number of EIAs is shown in the background (light blue). The red bars represent an increase of monthly enemy-initiated attacks compared to the same month the year before; blue bars represent a decrease. The changes over three month periods are depicted at the top of the chart.

Data Source: Afghan Mission Network (AMN) Combined Information Data Network Exchange (CIDNE) Database, as of 17 Nov 2012.
Security incidents include direct fire, indirect fire, surface-to-air fire, and IED events. IED events include IED explosions, IEDs found and cleared, mine explosions, and mines found and cleared. The figure depicts a one percent increase in total security incidents from the corresponding reporting period one year ago. Each of the first three months of this reporting period had more security incidents than the same three months one year ago. This rise is considered the result of an earlier start of the fighting season as well as a shortened poppy harvest.

Figure 4: OSD Estimate of Monthly IED and Mine Explosions (April 2009 – September 2012)

This reporting period saw a 12 percent year-over-year decrease in IED and mine explosions, while total IED and mine activity (which includes executed and potential IED attacks) decreased three percent. Potential IED attacks include those that were found and cleared, premature IED detonations, and those turned in to the coalition by local nationals. IED turn-ins more than doubled during this period compared to one year ago.

The ISAF CCMT (Civilian Casualties Mitigation Team) methodology is based on internal and comprehensive reports provided by ISAF troops within Afghanistan, and the activation of Joint Incident Assessment Teams comprised of Afghan government representatives as well as ISAF to review evidence and conduct interviews. The amount of available information depends on ISAF involvement in the event, and therefore it is possible that ISAF statistics under-estimate CIVCAS caused by events where ISAF was not present.

From April through September 2012, approximately 90 percent of CIVCAS were caused by insurgents. Insurgents continue to rely heavily on the use of indiscriminate tactics, such as IEDs. In the reporting period, 59 percent of insurgent-caused CIVCAS were due to IEDs. ISAF has continued its efforts to find and clear IEDs prior to detonation.

An area of great concern, however, continues to be alleged and disputed CIVCAS. Since conditions on the ground do not always permit complete battle damage assessments, insurgents have exploited opportunities to claim that those killed in ISAF-ANSF operations were innocent Afghan civilians, despite ISAF information to the contrary. The CCMT tracks alleged CIVCAS incidents as an indicator of public perception. Notably, from April-September 2012, there were a total of 187 confirmed ISAF-inflicted CIVCAS. Additionally, a total of 29 CIVCAS were alleged in the same period. ISAF investigates all alleged CIVCAS to determine responsibility and provides guidelines on consequence management.

Figure 6: OSD Assessment of Insider Attacks

On ISAF Personnel

On ANSF Personnel

Adapted from the Long War Journal, longwarjournal.org/archives/2012/08/green-on-blue_attack.php#data; Cutoff date is December 24, 2012.
**Real-world Trends in the Fighting in Helmand and Kandahar During the Peak of the Surge**

As Figures Seven to Twelve show, there has been much more uncertain progress than most ISAF reporting indicates, even in Helmand, Kandahar, and the rest of the south – the focus of the fighting in the surge between 2010 and 2011. This is particularly important because plans to carry out a similar campaign in the East have had to be severely cut back or cancelled because of US and other troop cuts, and there will now be no broad effort to take back control of key areas in the East.

- **Figure Seven** shows what appear to be positive trends in EIAs in the Helmand area – which was the key focus of the surge; however, these trends do little more than show that the insurgents stopped making attacks they know would result in major losses during the peak of the surge in 2010. This “positive” trend largely vanishes in 2011 as the insurgent focused on attacks that would give them political visibility or which they thought will produce favorable results.

- **Figure Eight** shows that there were still significant acts of insurgent violence in the Helmand River Area in 2012.

- **Figure Nine** shows a significant insurgent presence in the Helmand valley in 2012.

- **Figure Ten** shows there were far fewer positive trends in Kandahar in EIAs during the 2010-2011 campaign, and Kandahar is a key population and economic center.

- **Figure Eleven** shows a significant insurgent presence remains in Kandahar.

- **Figure Twelve** shows that narcotics production increased in the South, reflecting the fact that the Taliban-controlled sharp croppers moved to the area of Taliban control in to the upper parts of the Helmand River valley as well as significant corruption in Afghan government-controlled areas.

What is even more important in terms of assessing both the current situation and the prospects for Transition, however, is that the metrics in Figures Seven to Twelve reveal a sharp a set of differences between measures of tactical clashes like EIAs and maps of the areas in which the Taliban and insurgents have a presence and control. This is critical in a war where the insurgents do not have to engage ISAF and ANSF forces on unfavorable terms and have the ability to wait out ISAF and US withdrawals in order to win what is really a war of political attrition.

**What Matters in a War of Political Attrition**

NATO/ISAF and ANSF tactical victories are scarcely irrelevant, but the reports on these victories are not a substitute for a net assessment of the relative political and military strength of the Taliban and other insurgent networks relative to the Afghan central government.

The test of victory or relative progress in the current type of insurgency is rarely which side wins the most tactical encounters or trends in the current outcome of clashes with regular regime military forces. It is rather the overall ability to take control of populations and areas over time, to defeat the ability of the regime to govern and hold a given amount of space, to the deny the regime popular support and income, to exploit local tensions and internal divisions within the population, and to deprive the regime of outside funds and military support.

The Taliban and other insurgents know that history shows there is no easy way to assess progress in counterinsurgency or to distinguish victory from defeat until the outcome of a
conflict is final. Time and again, “defeated” insurgent movements have emerged as the victors in spite of repeated tactical defeats. The Chinese Communist victory over the Kuomintang, the Cuban revolution, the Vietnam War, and Nepal are all cases in point. The insurgents can lose virtually every formal battle or tactical encounter and still win at the end of a struggle and emerge as the political victors. They do not have to fight tactical or conventional wars; they can fight battles of political attrition – often winning against unpopular and incompetent regimes.

They know there are cases where the insurgents do eventually have to make the transition to becoming regular forces and defeat the regime’s forces in tactical combat. They also know, however, that this is only one route to victory. They can win if the regime loses sufficient popular support or if it fails to govern properly and control space – particularly in heavily populated areas. They can win if major factions desert the regime without joining the insurgents, if the government cannot afford to sustain the conflict, or if it loses a critical source of outside support.

This makes the many weaknesses in the Karzai government and in the structure of the Afghan government critical liabilities that aid the insurgents. The same is true of the fact there is no current threat to the insurgent sanctuaries in Pakistan or likelihood that Pakistan will change the ambiguous role it has played throughout the war.

Furthermore, these liabilities are reinforced by the fact the insurgents know that most US forces and almost all allied forces will be gone by the end of 2014 and that outside popular support for the war and continued aid is now negative and declining in every major ISAF country. Their prospects of a political-military victory are reinforced by ongoing cuts in US forces and those of many key allies and by the widespread corruption and abuses of many elements of the Afghan government – including most of the police.
RC-SW contributed 30 percent of all EIAs from April 2012 through September 2012, the same percentage compared to the corresponding period one year ago. From April 2012 through September 2012, EIAs in RC-SW increased by two percent compared to the corresponding period one year ago.

Figure 8: OSD Assessment of Northern Helmand River Valley Area EIA Location Changes, YoY Change, June – September, 2011 vs. 2012

Figure 9: Violence in Helmand: January – September 2012

RC-S contributed 21 percent of all EIAs from April 2012 through September 2012, a decrease of one percent compared to the corresponding period one year ago. From April 2012 through September 2012, EIAs in RC-S decreased four percent compared to the corresponding period one year ago.

Figure 11: OSD Assessment of Kandahar EIA Location Changes, YoY Change, June – September, 2011 vs. 2012

Figure 12: No Reduction in Opium Growing in the South, West, and East and Probable Levels of Taliban Influence and Control

Problems in Transfers of Security and Building Up Afghan Forces

All this makes creating effective Afghan National Security Forces and giving the Afghan government the necessary aid another critical part of Transition. It also makes planning for the transfer of power and setting realistic goals for the development of the ANSF as critical as previously discussed issues with leadership, governance, and economics.

Transitioning Provinces and Districts

To begin, the current claims of success in transferring responsibility for security to the ANSF have been largely cosmetic. Afghan forces simply are not ready and there are critical questions both as to when they could become ready – if ever – and the levels of future outside aid and advisory personnel that will be needed to sustain them. There are severe weaknesses in the Afghan military forces which are being compounded by the steadily increasing effort to simultaneously expand the ANA, rush it into the field, and reduce the levels of funding, trainers and partners in the field.

Figure 13 shows a recent Transition plan for giving the ANSF responsibility for security and indirectly provides a rough summary of the relative security of given districts. As was the case in Iraq, however, the map shows transfers that do not reflect the presence of hostile elements or insurgent influence and control and effectively calls for transfers regardless of the real-world level of security that exists on the ground.

Current plans sharply understate the risks in such transfers and exaggerate the current and near term capability of the Afghan government and ANSF to accept such transfers. Transition of responsibility is being shaped by a transfer to meet an end-2014 schedule, not a transfer according to ANSF capability. It is being driven by US and allied troop withdrawals, from a total of 91,000 US and 40,313 allied troops in early 2012 to some 68,000 US and 36,905 allied troops in October 2012.

These withdrawals have already made it impossible to sustain the US troop presence in the south and to implement the US/ISAF campaign plans in the East and for all critical districts, issued in 2010 and 2011. Moreover, it now seems likely that most US troops will stay in Afghanistan through the campaign season in 2013; further serious withdrawals may occur well before the end of 2014. The plans to cut the number of US positions in Afghanistan from roughly 90 to 4-5 during 2013-2014 not only will steadily cut US capabilities but also are almost certain to be matched or exceeded by other ISAF forces.

Afghan Forces in December 2012: Closer to 192,000 than 352,000

This makes building up the real-world capability of Afghan forces a critical part of an effective Transition, along with the need for the US and other countries to provide the proper mix of financial aid and advisors/trainers/partners. The US seems to have made such a commitment in broad terms, at least to the point where it will aid the government in keeping the Afghan Army at levels of around 200,000 through 2017.
There are many reasons both for this focus and for looking well beyond the end of 2014 – if the Afghan government can make good on meeting the other conditions for a successful transition. **Figure 14** shows the deployment and unit strength of Afghan Army forces, providing a broad perspective on the relative strength of the ANSF in key areas. A close look at this map shows that many of these ANA forces are not deployed in high risk or high combat areas and can cover only part of the rest of the country. It is a warning that Transition may sharply affect combat and overall security performance as ISAF forces withdraw regardless of the current readiness ratings of the ANSF.

**Figure 14** does not include the Afghan police but – with some exceptions like the ANCOPs and the best elements of the Afghan Local Police – it is a far more realistic picture of actual ANSF capability than a total or Figure showing all Afghan forces, including a largely corrupt and incapable police force that has far more limits that the Afghan army.

The real-world capability of the ANSF is likely to remain far closer to 200,000 men – which will remain partially dependent on US enablers well after 2014 – than the 352,000 man goal that includes most elements of the Afghan National Police (ANP).

The latest 1230 report by the US Department of Defense notes that,\(^{36}\)

> The ANSF met its goal of recruiting a force of approximately 352,000 Soldiers and Police by October 1, 2012. The current recruited strength of the Army is 195,000. The Police force stands at more than 157,000 recruited. The Army and Police personnel not currently in training or fielded units are recruited and awaiting induction at the training centers. The ANA is scheduled to achieve its surge-level end-strength of 187,000 soldiers inducted by December 2012, and to have these personnel trained, equipped, and fielded by December 2013. The ANP is expected to reach its surge-level end-strength of 157,000 personnel inducted by February 2013, and to have these personnel trained, equipped, and fielded by December 2013. The AAF is expected to reach its goal of 8,000 airmen inducted in December 2014, and to have these personnel trained, equipped, and fielded by December 2017. As a result of the significant increase in the size of the ANSF, Afghans now constitute more than two-thirds of all those in uniform in Afghanistan.

At the same time, the 1230 report warned that,\(^{37}\)

> Despite progress, corruption remains a critical issue, especially in the MoI, Afghan Border Police, and the Afghan Air Force – a condition that threatens to undermine public perception of the security ministries and ANSF as capable and legitimate security providers for Afghanistan

> The Afghan Parliament’s vote of “no confidence” in the MoI and MoD ministers in mid-August 2012 and President Karzai’s subsequent replacement of the head of the National Directorate of Security (NDS) have further stressed the security ministries, slowing progress in some areas. All ministries, however, exhibited sufficient institutional cohesion to withstand these changes at the minister level. ANSF will continue to face significant challenges to its growth and development; including attrition, leadership deficits (including Non-Commissioned Officer shortages in both the ANA and ANP), and limited capabilities in staff planning, management, logistics, and procurement.

> The ANSF also continues to require enabling support from Coalition resources, including air (both transport and close air support), logistics, ISR17, counter-IED, and medical evacuation support.

> A realistic assessment of both the current and future ANSF needs to be based largely on the Army and exclude most of the police other than the ANCOPs. This will be even more
true if President Karzai succeeds in putting an end to the US Special Forces training of the Afghan local police – a demand he made in January 2013.
Figure 13: Plan for Transferring Security Responsibility

Note: The Transition process was jointly conceived of and developed by the Afghan government, the United States, NATO, and ISAF Coalition partners in a series of international conferences during 2010, beginning with the London Conference in January and culminating in the NATO Summit in Lisbon in November 2012.

Transition is being implemented in accordance with the Inteqal Framework across all 261 districts from Tranches 1, 2 and 3. As the ANSF demonstrates its capability, the level of ISAF support is adjusted allowing the ANSF to take more responsibility. At the end of September, 2012, the ANSF had begun to assume the lead for security in 261 of the country’s 405 districts. The increasing capability of the ANSF has expanded security gains in many Transitioning areas.

Tranche 1 and 2 areas (138 districts in 20 provinces) continue to be the most secure areas in Afghanistan, both in terms of objective measures and Afghan population perceptions.

The Transition process met another major milestone this reporting period with President Karzai’s May 13 announcement of Tranche 3. With the implementation of Tranche 3, approximately 76 percent of the Afghan population lives in areas where the ANSF are in the lead for security. Tranche 3 is more expansive than the first two tranches with 122 new districts entering the Transition process. It includes all remaining provincial capitals and major transportation corridors. To better manage risk in subsequent tranches, some of Afghanistan’s more challenging districts were included in Tranche 3 while ISAF has sufficient combat power to address significant security challenges in support of ANSF.

Implementation of Transition in Tranche 3 areas has already begun. For Tranche 3, the Afghan government assumed responsibility for organizing Transition ceremonies, marking the start of Transition. Between July
and September, Transition ceremonies were held in provinces entering Transition for the first time. With the start of Tranche 3, 11 of Afghanistan’s 34 provinces are wholly in Transition, including Kabul, Balkh, Samangan, Takhar, Bamyan, Panjshyr, Daykundi and Nimroz.

Planning for Tranche 4 began during the reporting period. Transition readiness improved in 36 of the remaining 143 districts waiting to enter Transition, and no districts declined in their readiness ratings. As with Tranche 3, Tranche 4 will likely include areas with significant security challenges; however, managing the associated risk with the forces available is an important planning factor.

Figure 14: Afghan Army Forces in 2012

**Limits to the Afghan National Army**

Even the Army does have serious limits that will require aid and enablers beyond 2014. The US Department of Defense 1230 Report of December 2012 does identify many areas of progress in the MoD and ANA, and provides a summary overview of the statistics in this progress involved on page 95. Nevertheless, such progress needs to be kept in perspective.

There are only two years left to Transition and the report identifies many areas of continuing challenges that make current transfer plans seem more cosmetic than real. It is unlikely that the ANA will be able to stand on its own before 2016 without more funding and advisory/partnering supporting than it now receives. Therefore, until the insurgency is over, it will need more outside aid than the pledges made during the Chicago Conference seem likely to provide, even if they are actually kept.

The US Department of Defense report also warns that,

> The MoD and GS have made impressive progress in their ability to plan operations, which is an exceptionally difficult task even in Western defense ministries. However, the ability of these ministries to actually implement operational plans is still developing. The MoD, like many Afghan government institutions, lacks sufficient trained, educated, and professional staff in order to plan and execute operations at a requisite pace.

The MoD is capable of deploying forces, but is deficient in its ability to ensure that those fielded forces are physically issued with equipment that has been provided by NTM-A. In many cases the equipment is in depots and not in the hands of the soldiers who require it. The ability to collect, share, and act on intelligence at the ministerial level is being developed; an assessment of this ability is not possible at this time, however. As a general rule, the various departments within MoD and the GS function well internally (although some departments, such as Counter-IED operations, continue to face challenges); however, their interaction and coordination with other departments requires improvement. Reflective of a problem common to many ministries of defense, internal stovepiping of information and a lack of staff interaction between departments hampers the maturing of the MoD and GS.

Due to the high pace of ANA expansion, the MoD and GS often do not have sufficient time to examine issues and develop coordinated, cross-functional solutions. Structurally, the Afghan military is not a mirror image of Coalition militaries, and the Afghans are, with ISAF support, developing their own strategies, policies, and procedures to address these issues. Afghan solutions to these issues will not replicate NATO or other Coalition’s procedures, and western standards should not be used as benchmarks to gauge Afghan progress.

The total NTM-A (CJSOR 12.0) number of required trainers is 2,612.... Although the requirement for ANP instructors by the end of the reporting period is 1,504, the ANP had only 1,126 personnel assigned to instructor positions. The ANP has consistently trained more instructors than required; however, it has been unable to assign enough of them to schools, resulting in a shortfall.

Although attrition levels exceeded the monthly goal of 1.4 percent each month during the reporting period, strong recruiting and retention efforts, which both exceeded their goals every month, contributed to the solid overall end-strength figures.

The main causes of attrition and low retention are poor leadership and accountability, separation from family, denial of leave or poor leave management, high operational tempo, and ineffective deterrence against soldiers going absent without leave (AWOL). The Attrition Working Group, made up of ANA, NTM-A, and IJC officials, continues to monitor and assess these trends in order to determine causes and potential solutions to reduce the overall attrition rate. Should the attrition rates consistently fail to meet target levels, there is a risk that training costs will compromise the Afghan government’s ability to maintain the 195,000 force. Consistently high attrition may also
negatively affect ANSF capabilities, as a high number of soldiers will have to be recruited and trained each year, resulting in a force composed of many inexperienced soldiers.

The MoD continued to improve and increase leadership development by focusing on increasing both the quality and capacity of officer and NCO training programs. During the reporting period 29,180 trainees graduated from Basic Warrior Training (BWT), 423 soldiers from Officer Candidates’ School (OCS), and 3,765 from 1 Uniform Course (1U – an NCO direct accessions course). BWT and 1U courses have been operating at or above capacity throughout the entire reporting period.

Nevertheless, growing the required number of NCOs for the ANA remains challenging. The SY 1391 Tashkil authorizes the ANA 64,132 NCO positions. In order to address current NCO shortfall, an additional 7,093 are required. The plan to address the NCO shortfall emphasizes developing an experienced NCO corps by promoting from within the ranks. The shortage of NCOs will gradually be reduced through 2014, as experienced, qualified soldiers are identified, trained, and promoted.

CSTC-A procured and delivered a high percentage of ANA-required equipment to Afghan depots during the reporting period. Of the three main categories of equipment required by the ANA shoot, move, and communicate), [sic] CSTC-A delivered 102 percent of “shoot” equipment, 89 percent of “move” equipment, and 93 percent of “communicate” equipment. The re-opening of the Pakistan GLOC on July 4 enabled increased delivery of equipment to Afghanistan. However, delivering equipment to the national and regional depots does not mean that this equipment has reached personnel in the field. The ANA’s main challenge in equipping its units continues to be the delivery of equipment from depots to the units deployed in the field.

Each individual ANA unit is slated to receive equipment that has been released from the national depots, shipped through the ANA Central Movement Agency, and delivered to ANA Regional Logistic Support Commands (RLSC). RLSCs subsequently issue the equipment to the field units. Ensuring that the requisitioned equipment makes it through this chain to the units in the field has been challenging, however. Some RLSCs have warehoused equipment waiting to be issued, while nearby units in the field are forced to operate in an under-equipped state. CSTC-A has limited ability to track equipment once it is delivered to the depots, although the equipment levels of partnered units in the field are tracked under the Commanders Unit Assessment Tool (CUAT) system.

Despite this focus, NTM-A anticipates that the ANA will continue to require assistance with logistics and acquisition processes beyond December 2014. The ANA logistics enterprise is in the early stages of development, and capabilities are widely variable, with some hubs functioning at a high level and others struggling to establish a basic level of self-sufficiency. Overall, the various Afghan logistical processes and organizations, regardless of proficiency level, do not operate as one national logistics system in an integrated and cohesive manner.

However, many challenges remain. Although capabilities are demonstrated in some areas (local contracting for food, spare parts, and services), additional focus and attention is needed at a national/strategic level for requirements planning, budget integration, supply planning, quality assurance, contracting, distribution, material accountability, and performance measurements. In some process areas, a minimum core capability set does not yet exist, and in other more advanced processes such as contracting, a viable basic capability has been demonstrated since 2011. The lack of trained logistics staff officers throughout the ANSF is a concern, however, and is likely to become increasingly problematic as ISAF reduces its advisor and mentoring positions. The low numbers of qualified logisticians at both soldier and leader levels continue to be a concern. NTM-A has addressed this challenge through application of Mobile Training Teams (MTTs) focused on maintenance, supply, distribution, and mid-level logistics management. In addition to formal, classroom-based training, ANSF logisticians are being trained through On-the-Job Training (OJT). NTM-A anticipates that the number of school-trained logisticians will increase by more than 10 percent (from 9,900 to 11,000) over the next few months, and that training executed by MTTs will produce an additional 2,500 trained logisticians.
Currently, the ANSF is dependent on CSTC-A for all bulk fuel ordering, delivery, and acquisition. The lack of technical capacity to solicit and manage contracts for logistics contributes to this problem. However, CSTC-A intends to conduct a phased transfer of all fuel funding and acquisition responsibilities for the ANA and ANP to the MoD and MoI. By January 2013, MoD will gradually begin taking over management of bulk fuel acquisition and distribution. Transition of these responsibilities will be completed by December 2014. The plan will be developed jointly with the MoD and MoI through an executive-level Fuel Committee and a Fuel Working Group. The executive Fuel Committee will also involve the Ministry of Commerce and Industry, and the Ministry of Finance.

The Afghan Air Force’s (AAF) long-term development strategy includes the creation of an air force that can support the basic needs of the ANSF and Afghan government by 2017. AAF plans, however, are ambitious, and indicative of the conflict of aspirations, affordability, and necessity within the Afghan government. At present, AAF capacity and capability remains limited, but with a clear path to meet the demand of both the AAF and SMW pilot requirements. AAF development obstacles include inadequate education and literacy levels. The pilot training program is a two-year program, inclusive of English language training.

Corruption and infiltration by criminal patronage networks (CPN) also remain significant problems in the AAF. ISAF and the Afghan government continue to work together to combat corruption in the AAF, and as of the end of the reporting period, numerous investigations into allegations of corruption and other illegal activities were ongoing. As in other areas of governance, however, the Afghan government has yet to demonstrate the political will to address corruption and remove and prosecute corrupt officials on a consistent basis.

The Trainer and Advisor Problem

These problems will be even more critical if ISAF and NTMA-A cannot correct the shortfalls in the numbers of qualified trainers during 2013-2016. The December 2012 Department of Defense 1230 states that,

The United States provides the majority of required advisory teams for the ANSF. For this reporting period, the Supreme Headquarters Allied Powers Europe (SHAPE) established 466 Security Force Assistance Teams (SFAT) requirements, of which 13 percent (60 teams) were not filled as of the end of the reporting period. The SFAT requirement for the next reporting period is 460 SFATs for which SHAPE is currently generating forces. The near-term challenge for NATO is how to enlist the support of troop-contributing nations that have specific and readily usable and transferable skill sets for SFA teams, many of which will operate in the field. The number of requirements will decrease through 2013, as the ANSF improve their ability to conduct independent operations.

Rushing reductions in outside trainers/advisors is likely to make the shortfall problem worse, not better. The 1230 report on ANSF operational effectivenes ratings indicates that there still are no ANA units that are effective without advisors, and only 27 out of 267 rated units (10%) that are “independent with advisors” – a category that has no clear definition.

The report shows that there are 295 units in the fielded ANA force. A total of 209 have advisors or partners rating the units’ effectiveness. A total of 58 are autonomous or not assessed and 28 more are not covered. This is a total of 70% of 295 ANA units. It then states – drawing heavily on the work of Franz Kafka – that,

OCCs had an increase in top-third units with 22 (71 percent) of the 31 reported/required having achieved this milestone. This is an increase of four (18 percent) from the 18 reported as top-third units in the previous cycle, which shows improvement over a three-month period. Of those 18, (11 percent) were not reported this cycle.
In summary, out of the 267 ANA and OCC required units, 165 (62 percent) are top-third units. This is a six percent increase from the 157 units reported in the top two RDLs in Cycle 14 while 16 (10 percent) of the 157 top-third units from that cycle were not reported in Cycle 15.

At the same time, the Department of Defense Report raise serious question about the quality of the ISAF CUAT reporting on the ability of ANA units to stand on their own – reporting further made questionable by the fact the report states that the CUAT combat effectiveness rating system is being revised to cover operational performance for the first time and needs to be further revised to establish separate rating systems for the ANA and ANP at some unspecified point in the future. Worse, the report indicates that the reporting will go from having ISAF trainer/advisors rate Afghan performance to having Afghan rate their own performance – a shift of which the negative consequences are too predictable to require further analysis.

The ANP is Unready, Corrupt, and Lacking in Supporting Elements to Meet Transition Needs

Once again, however, it is important to stress that the Army is far more effective than most of the police and is likely to remain so. The analysis in the December 2012 report – and earlier in an October 30, 2012 Quarterly Report to the US Congress by the Special Inspector General for Afghan Reconstruction strongly suggests that much of the Afghan police force lags far behind the Army in overall development. It makes it clear that the police are far more corrupt and tied to power brokers than the ANA, and lack the mix of courts, adequate detention facilities, and civil governance necessary to be effective in many areas.

The December 2012 Department of Defense 1230 report warns that, Mol leadership has taken on a more active role in managing end-strength, recruitment, and force balancing. Much like the MoD, the MoI already has an effective training and force generation foundation in place, and as it approaches its fielded force goals, more efforts are being applied to the professionalization of the force. The MoI will also concentrate on areas that needed improvement over the past quarter to include: fielding vehicles/equipment, recruitment, gender issues, transition from private security companies to the Afghan Police Protection Force (APPF), and building a more capable Counter Intelligence force. A notable milestone during this reporting period was the advancement of the Afghan Uniform Police (AUP) to CM-2A, marking the advancement of all four Major Deputy Ministerial Security Pillars (AUP, ABP, ANCOP, and AACP) to CM-2B and above.

Shortfalls in logistics, facilities maintenance, office space, and technical capacity to solicit and manage contracts continue to be major impediments toward progress. NTM-A and Coalition police advisors will continue to work in close coordination with their Afghan counterparts to ensure deficiencies are addressed, and that the enablers and ANP units are afforded the resources necessary for continued development and progress toward autonomy.

Although the MoI demonstrated measured progress during the reporting period, the ministry faces multiple challenges that risk impeding further development. The MoI faces persistent difficulties in creating and maintaining a sustainable force, particularly in creating a logistics capacity within the ANP pillars. Similar to the MoD, the MoI lacks sufficient trained, educated and professional staff.

Furthermore, the MoI remains significantly susceptible to penetration by Criminal Patronage Networks (CPNs) in the fielded force, far more so than the ANA. Due to the nature of its mission, the dispersed deployment of its forces, and the span of control, the Afghan Border Police (ABP) is particularly vulnerable to potential influence by CPNs. The Afghan government, in partnership with ISAF, has made only limited progress toward removing corrupt officials. ISAF and the
Afghan government are accelerating efforts to develop internal accountability systems and sustainable processes through ministerial development and reform initiatives within the MoI that will further enable prevention and detection of internal criminal activity, thereby reducing the influence of CPNs.

…some units, such as the Afghan National Civil Order Police (ANCOP), are now highly effective, frequently partnering with ISAF forces in successful operations. Progress has been less rapid in other areas, such as the development of ANP logistics capabilities, and the development of the Afghan Border Police. The ANP remain significantly behind their ANA counterparts in developing the capabilities necessary to transfer to full Afghan lead by the end of 2014…. The ANP did not meet its end-strength growth targets this reporting period, finishing 8,548 below the target goal of 155,706. Earlier this year, the ANP were recruiting at a pace to achieve the October objective ahead of schedule. However, the Ministry of Interior (MoI) ceased recruiting during April 2012 to focus on rebalancing ANP assets. The ANP had more low-level recruits than necessary at the time, but was facing a shortage of officers and NCOs. They opted to pause input of new (and mostly low-level) recruits to focus on ensuring that officers and NCOs were serving in actual officer and NCO billets, as well as to effect the reassignment of personnel from over-strength units to under-strength units.

The ANP remains under-equipped as a result of fielding challenges, including battle loss replacement needs and the closure of Pakistani GLOCs earlier this year. Distribution of vehicles… The biggest logistics challenges include the recruitment of specialized policemen and the retention of trained logisticians, while ensuring fielded equipment is operational. Additionally, logistics continues to challenge the operational readiness of the ALP in particular was slowed by the GLOC closures…. Development of an ANP maintenance capability is underway, as poorly maintained equipment affects unit performance in the field. Currently, the ANP is entirely reliant on contracted maintenance provided through an NTM-A-managed contract.

…much like the situation with ANA equipment, problems arise when delivering the equipment from national (and largely ISAF-run) depots to smaller regional depots and to the units themselves. When equipment is fielded to the ANP, either staged by local pickup in Kabul or a convoy, CSTC-A has little oversight over the ultimate destination and unit receiving the equipment. Diversion of equipment from its intended unit as stated on the CSTC-A issuing order has occurred, although the exact rate of equipment diversion remains unknown. Often, far more equipment than necessary is delivered to one unit at the expense of others, giving rise to a situation in which some units are over-equipped while others are under equipped. In addition to diverted equipment, damaged equipment is often not reported by the units. This causes lower “on-hand” numbers at the unit level than what is documented as the quantity fielded.

As a result of a deliberate decision to place initial focus of force generation on ANP policing units, the development of enablers – in particular logistics capabilities – was delayed, and ANP logistics capabilities are not expected to be self-sufficient until late 2014. NTM-A began to shift its efforts to logistics development in mid-2011, and this is now the main focus of NTM-A. Logistics will remain the main focus area for the training mission throughout 2012 and 2013. NTM-A initiated a detailed planning process to review the current logistics system, and in conjunction with IJC and MoI, to develop a more sustainable system to meet ANP requirements beyond 2014.

ANP logistics nodes at the regional level and below continue to require Coalition assistance in order to effectively provide sustainment. The biggest logistics challenges include the recruitment of specialized policemen and the retention of trained logisticians, while ensuring fielded equipment is operational. Additionally, logistics continues to challenge the operational readiness of the ALP. Each District Chief of Police is authorized three AUP personnel to assist in ALP management and supply; however, the level of support varies from district to district. NTM-A is working with available ALP logisticians to establish better accountability of issued equipment, better coordination of services, and improved knowledge of the logistics system.

…Development of an ANP maintenance capability is underway, as poorly maintained equipment affects unit performance in the field. Currently, the ANP is entirely reliant on contracted maintenance provided through an NTM-A-managed contract. NTM-A and maintenance experts
from the MoI are focusing on the establishment of ANP mobile response maintenance teams, with recovery capability within the current manning and equipment levels. In order to improve the ANP’s maintenance capability and increase the level of confidence across the ANSF, several projects are ongoing. Expanding current NTM-A-provided maintenance training will address the necessary human capital investment to enable a basic maintenance capability within the ANP. NTM-A will pursue improvement in the ANP maintenance program and the use of recovery assets. Furthermore, NTM-A expects to refine sustainment requirements for eight MoI Supply Points (MSPs) and seven Regional Logistics Centers (RLCs). In conjunction with MoI, NTM-A plans to simplify the requirements and requisition process and develop infrastructure and contract management capabilities.

….A number of other issues hinder ABP development. Correctly accounting for personnel remains a major issue, especially with “ghost soldiers” (soldiers who are no longer assigned but for whom the unit continues to collect pay)…. Pay and promotion issues also negatively impact ABP development. The lack of banking facilities in some regions, along with the security situation along routes used for the movement of bulk funds, have prevented personnel from getting paid in a timely manner. ABP training is currently not as extensive as the training most other ANP receive. Training shortfalls include communications, driving, maintenance, counter-IED, computers, and literacy. More NCO training is needed. Many ABP outposts remain static, and rarely conduct border security missions beyond the vicinity of their outposts.

….The AUP made steady progress during this reporting period, although major challenges remain. As part of a deliberate decision made when the AUP was still in the early stages of development, initial focus was on force generation and support to the COIN campaign. As increasing areas of Afghanistan transition to ANSF lead and the ANA is better able to handle the military aspects of the security mission, increased consideration is being given to AUP reform as part of security sector reform. This includes the further professionalization of the AUP to create a police service that can actively deal with criminality and has a sense of integrity, a code of ethics, an ability to engage with the community, and respects the rule of law.

….Currently, roughly 17,552 (20 percent) of the AUP are untrained and approximately 12,800 (15 percent) are un-vetted. Full vetting for new AUP recruits occurs when they arrive at their first training center. Many instances have occurred in which Provincial Chiefs of Police (PCoPs) place newly recruited patrolmen directly into local units from the recruiting centers, bypassing the training centers.

….One major impediment to AUP development in this area is the low capabilities of the Afghan justice sector. The AUP’s capabilities, both geographically and functionally, have far surpassed those of the Afghan judiciary and justice sector. The AUP have the authorization to hold suspects for up to 72 hours, but beyond that judicial intervention is required. AUP do not act as investigators of crime as police forces do in many Western nations. The Afghan judiciary is in charge of criminal investigations and prosecution. In many areas, AUP personnel may arrest a suspect but are forced to release them after 72 hours due to a lack of support from the justice sector. Increasing the capabilities of the Afghan justice sector and judiciary, as well as the coordination between them and the AUP, will be a priority through 2013.

The 1230 Report again raises serious question about the CUAT and other effectiveness reporting on the ability of ANP units to stand on their own. The report describes the readiness of police units as follows:

The ABP had 22 units (43 percent of the total required) reported as “Independent with Advisors” or “Effective with Advisors”, which is down 29 percent from the 31 reported in Cycle 14. Of the 31 reported in the top two categories in Cycle 14, seven (23 percent) were not reported in Cycle 15. The ANCOP did have a measured increase in units reported as having achieved “Independent with Advisors” or “Effective with Advisors” status. Sixteen units reported as having achieved top-third status, which is an increase of 23 percent from the 13 reported in Cycle 14. Of the 13 reported in the previous cycle, four (31 percent) did not report in Cycle 15. There has been a significant
decrease in reporting on police units, and for this reason it has been difficult to make an accurate assessment of progress. Of the 408 required police units, 179 (44 percent) have achieved ratings of “Independent with Advisors” or “Effective with Advisors” this cycle.

This lack of coverage indicates that such ratings have little real meaning and these problems again are rendered even more questionable by the fact that the entire CUAT system is being revised to cover operational performance for the first time and needs to be further revised to establish separate rating systems for the ANA and ANP at some unspecified point in the future.\textsuperscript{46}

The practical dilemma that requires far more detailed and transparent aid planning is that the police are unlikely to meet a meaningful level of capability at any predictable point in the future – almost regardless of the outside level of aid and training. At the same time, rushing reductions in outside trainers/advisors is likely to be a far more serious problem for the ANP than the ANA. The 1230 Report shows elsewhere that there are 609 units in the fielded ANP force. A total of 265 have advisors or partners rating the units effectiveness. A total of 143 are autonomous or not assessed and 201 more are not covered. This is a total of 44\% of 295 ANA units that are not rated by trainers or advisors.\textsuperscript{47}

One answer may be to take as many of the police out of the paramilitary role as possible, focus on the ANA for key combat tasks, and strengthen the Afghan Local Police to create local forces with a vested interest in the security of the areas they protect. Also important is to focus on protecting key population areas and not try to create a transfer of responsibility that attempts to push the ANSF into truly defeating the insurgents. If the other elements of the Afghan government are successful in Transition, a war of political attrition may become a two-way street. The government may be able to wait out the insurgents as it wins the confidence of more of the people and the insurgents lose support.

It is also clear, however, that US willingness to sustain most of the cost of aid and advisors requires an unambiguous Afghan government commitment to provide bases, facilities, and a status of forces agreement. It also requires Afghan success in creating a stable and effective mix of Afghan forces at some point within a few years after 2014. There is no point in reinforcing failure – or in paying for it.

**Conclusions**

The combination of Afghan problems and increasingly uncertain outside support does not mean the Taliban and other insurgents will win. It is all too clear, however, that every aspect of Transition is a high-risk effort and that many elements can fail, including leadership, governance, the economy, and Afghan forces. The problems also raise serious doubts about some aspects of current aid planning and commitments – or the lack thereof – and the capabilities of Afghan forces.

The hardest choices have to be made by Afghans. They have to make changes in leadership, governance, economics, and the ANSF that show there is a real incentive for the US and other states to have a concrete Transition strategy. At the same time, there is an equal need for far more US and allied realism about what can be accomplished, provision of serious aid well beyond 2014, and working with the Afghan government to develop meaningful plans. Without major efforts on both sides, Afghanistan may muddle through in spite of this mix of Afghan, ISAF, and donor problems. The more Transition is
treated as an “Egress strategy,” the more likely “Afghan good enough” is to turn into “Afghan failed.”


4 The acute limits to -- or failure of -- the 1979 census supervised by the Soviet Union had led most sources to cut back on the estimate of roughly 33 to 34 million Afghans used in the past. This was based on data drawn from a 1979 census that the FSU began but never completed, although a few experts still seem to believe more recent figures are a major undercount and do use figures as high as 34 to 36 million. A new demographic survey has resulted in a recent downward revision to the Afghan fertility rate, from 6.6 offspring per woman to 5.1. (http://www.economist.com/blogs/feastandfamine/2012/06/demography) Fertility rates underpin population growth; the discrepancy between the recent measurements and prior estimates indicates that the Afghan population may in fact be even lower than the current range of population estimates suggest.

It is unclear that even if there were correct figures for the total population that this would matter, given the acute differences in security, ethnicity, the economy, and dependence on drug markets that affect the Afghan population -- particularly when it is obvious that a narrow part of the Afghan population has benefited legally and illegally from much of the outside spending and has often moved much of their income outside the country. While nothing approaching a Gini index of income distribution exists, it is brutally obvious to every observer of Afghan corruption, contract awards and management, power brokers, and criminal networks that a vast amount of the spending that was supposed to benefit the Afghan people has benefited a tiny fraction of the Afghan elites -- as well as outside contractors and fundraisers.

The Afghan Central Statistics Organization (CSO) does provide a breakout of population by sex by province and district for settled population, and distinguishes between rural and urban areas in each sub-category.(Afghan CSO, http://cso.gov.af/en/page/6070) It does not, however, explain the probable accuracy of its figures for the settled population. The CSO also highlights the fact in its statistical yearbook that at least several million Afghans do not have a stable enough location to estimate, and its high estimate is a little over 80% of the estimate used by most outside sources. As is the case with every aspect of the economic data available for transition planning, no effort is made to distinguish uncertainty by province or district, or to measure the impact of both the current war on key areas of fighting and insurgent activity or the cumulative impact of more than thirty years of constant insecurity since 1979.

The UN statistics office shows how the CSO sought to conduct a census, but does not explain how this can be done in a nation at war, and with massive numbers of citizens living outside the country due to war and economic pressure, in remote rural areas or in urban slums. (See the Afghan census methodology data in the CSO web page - http://cso.gov.af/en -- and in UN Statistics Division web page, http://unstats.un.org/unsd/demographic/sources/census/country_impl.htm).

The end result is that the CSO -- and sources that draw upon it -- provides a great deal of highly detailed information that could have potential value for transition planning, but cannot be validated or trusted. This information does not distinguish between security conditions or add uncertainty in combat and high risk areas, or between areas where estimates may be reliable and areas where they are not.

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For example, most outside estimates of the trends in education seem to track with the Afghan Central Statistics Office and Ministry of Education estimates, but these seem to be generated using very limited survey data and present major problems in terms of the relative rates of increase in total teachers and teachers in the field, and school numbers. Then failure to examine the source data and its consistency and credibility reflects the tendency to uncritically accept virtually any quantitative trend that is positive.


30 Transparency International described the situation as follows: “Afghanistan, North Korea, and Somalia once again cling to the bottom of the index. In these countries, the lack of leaders who are accountable, and effective public institutions, underscore the need for a stronger stance against corruption;”


“What does being one of the bottom countries on the index mean for Afghanistan? Bertelsmann describes some of the ways corruption manifests itself in Afghan society: widespread charges of fraud and election-rigging; a judiciary subservient to the government and officials engaging in arbitrary arrest and detention, torture, extortion, and extrajudicial killings Corruption is also present in daily life and stands out in public surveys. According to Integrity Watch Afghanistan, one Afghan in seven paid a bribe in 2010 and the average bribe is equal to one third of the average Afghan salary.”

“Corruption in Afghanistan also impacts the international community, who need to start thinking long-term. According to an article from Huguette earlier this year, as much as $1 billion of the $8 billion donated in the past eight years has been lost to corruption. As much US$ 60 billion of military contracts have been lost to fraud and waste. The country receives $70 billion in foreign military assistance and development aid annually. Afghan government revenue was $1.3 billion in 2009.

“The country’s future depends on tackling corruption more than almost any other. A Transparency International report last year warned: “Corruption, weak institutions and a lack of economic development pose a fatal threat to the viability of Afghanistan. “The attention of media and international community are starting to turn to the 2014 elections as a key moment, but this Wednesday Afghanistan’s score in the Corruption Perceptions Index will send a different message. The country’s leadership must put a stop to the corruption practices in the country now, and not in 2014.


35 These numbers are drawn from OSD and ISAF reporting. The October 2012 SIGAR Quarterly report provides different numbers for the US: “According to U.S. Forces-Afghanistan (USFOR-A), 76,000 U.S. forces were serving in the country as of September 30, 2012. Of those, approximately 54,000 were assigned to ISAF, 2,000 to NTM-A/CSTC-A (the joint NATO/U.S. mission responsible for training, equipping, and sustaining the ANSF), and 7,800 to USFOR-A, while 12,200 were categorized as ‘other U.S. military personnel.’ On September 21, 2012, Secretary of Defense Leon Panetta announced that the drawdown of the 30,000 surge force was complete.”


Major shortages remain in functioning courts, judges, lawyers, and prisons; every element of the legal system has a high level of corruption. Prisons present a special problem. The October SIGAR Quarterly report notes that, “Afghanistan’s prisons remained overcrowded at almost 176% over capacity, as of September 30, 2012. However, this is an improvement in prison conditions from March 2012, when prisons held more than double their capacity (202%). There were over 16,400 male prisoners and 471 female prisoners in Afghan custody. The State Department had obligated almost $70.47 million for the construction of prisons and detention centers.” These data still, however, grossly understate the problem because so many arrestees are released because there is no way to provide the needed evidence or process them within the time permitted to hold them. The quality of governance is often far worse. It is more venal and corrupt at the field level, will not operate in areas with significant risk, and numbers are made up in high risk areas by waiving all entry standards.


