

Research Thesis

**Aid Effectiveness of Fragile State:
A Case of US Aid in Afghanistan in Post 9/11**



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ABSTRACT

In 2002 United States started pouring aid to Afghanistan to rebuild the broken infrastructure and bring peace and prosperity to the war torn country. Since then United States and International Community as donors joined the adventure with United States and committed themselves to support Afghanistan's Millennium Goals. The aim of the international aid was mainly to strengthen the governance, respond to security threats and to provide capacity building training to army personnel and civil servants, establishing fruitful institutions, creating opportunities for people, build economic machinery to the country. The focus of research is about utilization of aid in Afghanistan and the challenges, both for government of Afghanistan and the United States. The research is focused on provision of US aid from 2002 – 2014. It has explored the areas where and how the US aid was spent. The effectiveness is examined with the principles of aid effectiveness in fragile states.

LIST OF ABBREVIATIONS

ADB	Asian Development Bank
ANDMA	Afghanistan's National Disaster Management Authority
ANDS	Afghanistan National Development Strategy
ANP	Afghanistan National Police
APPF	Afghanistan Police Protection Force
IDA	International Development Association
IWA	Integrity Watch Afghanistan
MEC	Monitoring and Evaluation Committee
MoD	Ministry of Defense
MoE	Ministry of Education
MoF	Ministry of Finance
MoM	Ministry of Mines and Petroleum
MoP	Ministry of Public Health
MT	Metric Ton
NATO	North Atlantic Treaty Organization
OCHA	Organization for the Coordination of Humanitarian Affairs
OECD-DAC	Organization for Economic Co-operation and Development – Development Assistance Committee
SAM	Severe Acute Malnutrition
SIGAR	Special Inspector General for Afghanistan Reconstruction
TFBSO	Task Force for Business and Stability Operations
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Emergency Fund
USAID	United States Agency for International Development
USWDP	University Support and Workforce Development Program
WASH	Water & Shelter, Sanitation & Hygiene
WB	World Bank
WHO	World Health Organization

CHAPTER ONE

INTRODUCTION

According to World Bank report (2014), Afghanistan is a low-income country with income per capita of \$700 in 2014. The country currently ranks 172 in the Human Development Index (HDI). New York Times article (2011) indicates that the country is heavily reliant on foreign aid and aid accounts for more than 90 percent of the national budget. Many of the nation's sectors are currently poorly developed. World Bank report (2014) mentions that the country's infant mortality rates are high at 16.7 percent, literacy levels are low at 38 percent and unemployment levels are high at 35 percent.

Afghanistan's government was established after the intervention by US aerial forces and the ground support of country's armed forces called Northern Alliances, formed in 1996 to fight Taliban, active and operative in the north of the country. Rashid (2000) mentions in his book "Taliban", about resistance that made up of the several other forces the northern alliance was the only force against Taliban during half decade war started from 1994. Taliban were successful to start their armed struggle from country's southern areas basically from Kandahar, a Pashtun majority province. In their political structure they were majority from one ethnic group and were

thus successful to gain support from Pashtun areas in the south with rapidity. Soon they reached Kabul, the capital of Afghanistan and afterwards had the control of the country's about 70% territory. Only some northern provinces, including Badakhshan and Panjshir, with Tajik and Uzbek population, were under the control of the Afghanistan's Islamic State which makes about 30% of the whole territory. In such a proportion, in September 9, 2001, defense minister of Islamic State, Ahmad Shah Massoud, was assassinated by two Tunisian Arabs apparently journalists who came to meet him after months of wait. Islamic State of Afghanistan had lost its key defender and powerful guerilla fighter. In this scenario the 9/11 incident took place just after 3 days, where twin towers in New York were hit by Taliban and Al-Qaida group. United States under the banner of war on terror launched a long lasting war against Taliban and intervened in Afghanistan. A new interim government was set up by the agreement in Bonn, Germany. The international community agreed to support the new government and provide Afghanistan with financial support to build the three decades war torn country.

This was the starting point for the international aid to rebuild Afghanistan's broken structure and make a stable and self-sufficient country which should overcome its expenses and stand alone by its own feet. Although the US's aid helped Afghanistan especially in building, strengthening military and security matters but largely has ignored other walks of life. It has badly affected health, education and infrastructure development.

A new constitution was drafted in the Bonn process in which it was due to hold presidential election on 2004 and National Assembly polls in the next coming year. During the 2006 conference in London, International Community agreed to start a new partnership with Afghanistan to pledge amount \$10.5 billion (Crisis Group Report on Afghanistan). This was for Afghanistan to reach its millennium development goals in the following key sectors of security,

governance, rule of law and human rights and economic & social development (Millennium Summit, 2000) The government of Afghanistan committed itself to recognize and implement this vision while international community committed itself to provide Afghanistan aid and resources to support the war torn country to realize the vision But due to insecurity and corruption, these visions were only limited to ambitions After two years, in Paris Conference, government of Afghanistan under leadership of Hamid Karzai presented a blueprint for development of Afghanistan, "Afghanistan National Development Strategy" 2008 – 2013 which required \$50 billion in the five years period International Community affirmed of its support and pledged \$21 billion and United States committed to provide \$10.2 billion in two years (The Washington Post, 2008)

While trust on the Karzai-led government was in decline due to corruption, international community here as donors demanded an enhanced coordination role for United Nation Assistance Mission for Afghanistan which was to bring more accountability and effectiveness to aid However both conferences of London and Paris has stressed to channel more of their funding through in-budget, make state's legitimacy enhanced and to meet the public needs and efforts of nation-building Yet finance ministry's estimates showed in 2010 that 80 percent of assistance provided in the name of Afghanistan by-passed government's budget and institutions

After all these years Afghanistan is still one of the poorest countries in the world and faces economic hurdles Instability and corruption have posed Afghanistan in a situation to cope with the mentioned issues and formation of an inclusive economy which paves way to development, self-sufficiency and create opportunities for foreign investment, development in trade and creating employment

Afghanistan had already had record in human development indicators and invasion of Afghanistan further worsen the situation due to insurgency and counter-insurgency operations. In July 2013 according to OCHA report, 590000 of citizens were displaced due to conflicts. Despite of insecurity, people did not lose hope and 5 million refugees have returned back to their land since 2002 which has increased the population by 20% according to UNHCR and still 5.3 million are refugees in Iran and Pakistan according to OCHA.

In this piece of work, we will discuss and examine the success stories and find mistakes in practices carried out by government and US as a major donor.

1.1 Methodology:

This research is conducted using qualitative research method. Both primary and secondary sources are consulted. Library research is practiced to analyze and explore the facts and figures and historical background of aid to Afghanistan. Interviews are considered to get primary information from Afghanistan's former stakeholders i.e. Ministry of Finance for facts and figures and members of Senate of the National Assembly of Afghanistan. In addition, books, research articles, newspapers / magazines and websites about aid effectiveness thoroughly studied to examine the aid efforts in Afghanistan.

CHAPTER TWO

THEORETICAL FRAMEWORK

Let's begin with defining fragile states. There is no agreed definition for the term and many international institutions give different definitions to the term. According to International Development Association, fragile states are characterized by weak institutions and vulnerability to conflict, have increasingly become an area of focus for the development community in recent years (IDA, 2007).

There is not a clear agreement upon usage of the correct term to categorize weak states and most of bilateral and multilateral donors and Development Assistance Committee use the term "fragile states." Nowadays however usage of term "fragile states and situations" is increasingly used. The term has been criticized for not differentiating among various causes and issues of some states i.e. emerged in form of democracies and those emerged from conflicts. The term fragile states is sometimes used to indicate to states which are not weak and fragile with regards to their capacity but they are not responsive to demands of their respective citizens and international pressures to change their policies or bring reforms at least.

The Paris Declaration refers to the effective management of aid at high levels through mechanisms which are agreed between the donors and the recipient government. The development partners are united around an approach extended by Organization for Economic Co-operation & Development (OECD). It recognizes characteristics of fragility as (i) prolonged crisis or impasse, (ii) post-conflict or political transition, (iii) gradual improvement and (iv) deteriorating governance (OECD, 2005). These countries face severe development issues with regards to their capacity, political stability, governance and are often in on-going violence which put them in vulnerability to collapse.

Interventions in the fragility situations are highly risky since effectiveness and development are undermined due to weak institutions and the possibility of violence poses vulnerability to the gains achieved by international aid. Working with fragile states is also posing risk to donors due to their fragile environments.

Despite the risk mentioned, because of their operating environment, international community is committed to put attention as there are two vice versa possibilities in working with fragile states. On one hand, because of their weak institutions probability of success is very low but on the other hand, since they start development from very beginning, there is a high chance of being successful.

Although the Declaration of Paris is not legally binding but presents shared understanding and acceptance between governments, donors and recipients i.e. United States and Afghanistan to enhance aid effectiveness in Afghanistan.

The fundamentals of principles are taken from resolutions of Monterrey Consensus (2002), Rome Declaration on Harmonization (2003), Marrakech Roundtable on Managing for

Results (2004), Paris Declaration on Aid Effectiveness (2005) and the work of OECD-DAC Working Party on Aid Effectiveness

There are many frameworks developed by the donors to provide them a structure to engage with the fragile states they are involved in. One of the famous and mostly considered frameworks is “Paris Declaration on Aid Effectiveness”. It was developed in March 2005 and it tends to provide terms of engagement between developing and developed or partner countries and donors. According to Paris Declaration, it has provided five principles for delivering and managing aid: ownership, alignment, harmonization, managing for results and mutual accountability.

These principles are further needed to be explained.

2.1 Ownership:

Partner countries exercise effective leadership over their development policies, and strategies to coordinate development actions

Promoting national ownership is a central element of the Paris Declaration on Aid Effectiveness, and is defined as a country’s ability to lead and direct its development policies and strategies. As the OECD put it, ‘ownership is critical to achieving development results’ (OECD, 2006).

With regards to this part in Paris declaration, Afghanistan’s government as a partner country has not been able to exhibit effective leadership over development policies and strategies for coordination of development actions. This is largely due to nature of governance and its structure of bureaucracy. Lack of capacity in Afghanistan at the national level among government officials, ministries and civil servants has the greatest impact on the management of

aid Corruption is the key to become a stakeholder Senior government staff lacks enough understanding of the situation They believed United States and international community would be here to provide money if they request for it anytime It was until United States administration under Barak Obama announced the troop's withdrawal from Afghanistan at the end of 2014 It was witnessed that government in Kabul was worried if April, 2014 elections were not concluded in one month after consecutive five months delay, government will not be able to pay civil servants their next month's salaries There's no doubt and shock for this news, as government funding for its institutions is relayed totally on foreign aid

However, the corruption in Afghanistan's government is not accepted by then president of Afghanistan to this proportion that foreigners and outside world media channels were claiming He negates these allegations and calls them fraudulent to put pressure on Afghanistan's government for the purpose to keep and expand their hand on policies according to their will while he believed corruption was not to extent it was reported by external world President Karzai in an interview with Tolonews put all allegations back on United States and called them fraudulent

The leaders of recipient countries should be capable in exercising leading role for developing and implementation of national development strategies through consultative processes They should translate their strategies into priorities which are result-oriented and should take leading role in coordination aid at all levels with their donors and encourage civil society and private sector to take part in it On the other hand donors should be committed respect the country's leadership and encourage them through capacity building to exercise it

2.2 Alignment:

Donors base their overall support on partner countries national development strategies, institutions and procedures

Second recommendation of Paris Declaration is with regards to donors and agencies providing aid to recipients of aid. According to this principle the donors must base their full strength aid support according to partner countries' national development programs and procedures those countries want to work with. Comparing this principle with aid flow from United States, it results that United States has not come up with it. They have ignored this principle to align large percentage of the aid national development strategies of Afghanistan. Since most of aid was spent in the name of Afghanistan as off-budget.

The OECD concluded that 'donors often channel funds directly to implementing partners or contractors, and do not always keep the relevant Afghan ministries informed about financial flows' (OECD, 2006). Alignment means to use a country's own institutions and system to assure the effectiveness of aid on given purposes and to increase partner country's sustainability to develop, implement its policies. According to OEDC, systems of government include, but not limited to, national arrangements for public financial management, accounting, auditing, procurement, results frameworks and monitoring.

In the alignment principle there are some mutual obligations to be carried out together by donor and partner country. They should work out to create mutually accepted frameworks which will provide transparency, accountability and assessment of programs' performance of a system of country. Donor and partner country should integrate reviews and assessment frameworks with country-led strategies for development of capacity.

Partner countries on the basis of the reviews carried out together with donor should go for reforms which will ensure to be transparent, accountable and effective with regards to national systems, institutions and procedures for managing aid. Donors on the other hand must be committed to use the systems and procedures of country to possible extent and if not possible should create additional measures in such a way which will strengthen the systems and procedures of partner country. Donors must avoid creating any sort of structures which are for day to day management with regards to implementation of projects which are through aid provided. This may result in parallel structure with partner country's structure and system which will result in undermining and ignoring them rather than strengthening and developing them. This was actually practiced in Afghanistan. Most of aid was provided to projects in which government of Afghanistan was not aware of the expenditure and their priorities were not what government sought to focus. This principle emphasizes on avoiding any sort of conflicts with partner country's system to the extent possible.

However, Afghanistan didn't have national strategy until 2008 when it was finalized as Afghanistan National Development Strategy for Security, Governance, Economic Growth and Poverty Reduction. But according to Ministry of Finance (MoF) figures, it was witnessed that of aid provided by International Community, only 30% of the announced aid was used through government budget and rest was spent by the donors.

United States and Afghanistan together should have agreed upon priorities for research and development through formal consultation workshops and reassessment should have taken place at least once per year to determine what was really needed to focus upon. This could align with United States' aid for Afghanistan with better strategy and better outcomes. The total

expenditure of United States should have been with national development strategy of Afghanistan at least after it was completed in 2008

Furthermore, United States should have used Afghanistan's own institutions and systems in each of its programs. But in a country like Afghanistan where there was and still is scarcity of skill-labor, it was almost impossible. Therefore it was suggested to take in use "contracting out" as a tool for pushing institutions to gain progress. Contracting out is famous term to work with a fragile state when the internal human capital cannot carry out a program effectively and efficiently and indeed United States and international community took it in to use. This however was not effective or efficient in case of Afghanistan and much costly. Estimates show most full time, expatriate consultants, working in private consulting companies cost \$250000 – \$500000 a year (Waldman, 2008). Outsiders were invited to Afghanistan and were given contracts to help Afghanistan's government machinery to run but this did not helped a lot. Contracting foreigners cost Afghanistan most of the aid which was due to be given. A report by cited by Waldman in his assessment paper, "the government of Afghanistan claims that 40% of aid returned back to donor countries spending on salaries, profits for their corporate and the matter has risen cost of those projects. Between the years 2001 - 2008, the amount returned to donors was estimated to some \$6 billion" which is almost to say taking back what you have announced silently.

So the principle of alignment reaffirms the need of alignment with partner country's system and its procedures, its priorities and programs to ensure the effectiveness of aid to maximum extent.

2.3 Harmonization:

Donors' actions are more harmonized transparent and collectively effective

The third principle for consideration of aid donor in Paris Declaration on aid effectiveness is harmonization. United States should have put aid efforts to work more closely with government of Afghanistan in harmonized way to produce meaningful, long lasting and far sighted results. What United States did through the process of providing aid is only “winning the hearts and minds” – to announce one thing and to do something else. The people of Afghanistan regard this matter as a double-standard which in fact is a double-standard.

The principle of harmonization according to Paris Declaration obligates donor to be committed to implement their action plan they have develop and where feasible, should implement the common arrangements for planning, funding, monitoring, reporting, evaluating on their activities and flows of aid. They must increase the use of models which are program based. On the other hand the partner country must show progress to establish structures for governance and build institutions to deliver effective public safety, security, governance and access to basic social services to respective citizens. The government of Afghanistan however has made its possible effort to establish structures while on the issue of who is to govern and how to govern has remained questionable mostly due to lack of professional human resource. Only building a structure or law is not needed, the courage to bring professional staff and working authority is essential to bring change. The partner country must engage in to dialogue with donor to develop planning tools with regards to national development strategies where they not enough or having a vacuum. They should also encourage wide participation of national actors to setup priorities for meaningful development.

Afghanistan after 14 years of foreign intervention and aid flow still is in a vulnerable condition to collapse. Be it in economic sector or security and the later is the sector which most

of aid was focus upon it, there is less to be hopeful Today's Afghanistan is, more people armed with gun Numbers show that nearly 400000 personnel are working in military and security related sector (The Diplomat, 2015) but question is has it really brought security to the country? This is something to think about Now issue is that keeping such number and sustaining it without foreign aid is absolutely impossible for the weak government of Afghanistan which totally is dependent on foreign aid

United States and government of Afghanistan had to be more aligned with regards to expenditure and where to spend the aid But United States is more spending through other contractors rather than relying on government machinery and this has brought another issue of parallel institutions with government institutions Afghanistan's biggest donor, USAid, allocates nearly half its funds to five big contractors And due to security issues that subcontract it with local contractors and nothing really remains to spend on projects Those contractors have to keep margin for their profits and for sure local companies should also take their part of benefits The US government has awarded major contracts, some worth hundreds of millions of dollars, to KBR, the Louis Berger group, Chemonics International, Bearing Point, and Dyncorp International, according to a study by the US-based Centre for Public Integrity quoted in a report (The Guardian, 2008) Now some of these companies are not working transparent as mentioned about they sell the projects to local companies or they are having legal problems within United States

According Paris Declaration in this principle, donors are committed to harmonize their activities and should avoid those activities which would result in undermining national institution building like bypassing national budget processes Due to lack of good leadership in Afghanistan, we will for time-being agree, but this principle emphasizes on donors to harmonize

their activities even if in the absences of strong government leadership by establishing joint donor offices, joint strategies and joint assessments

Largely due to lack of coordination and communication, the Afghan government does not know how one-third of all aid since 2001 – some \$5bn – has been spent (Waldman, 2008) and if we count it up to 2014 it will rise more than that figure

This principle also advises joint commitments for donors and partner countries. Donor and partner country should work together in to deepening common procedures for projects consultations, developing and implementing common approaches for national and sector levels. They must continue to work together to generate capacity in specialized technical and policy for analysis and enforcement of legislation

2.4 Managing Results:

Managing resources and improving decision-making for results

The forth principle to follow the Paris Declaration up to success aiding fragile states is managing results. According to this principle, the donor country should report about performance of monitoring and assessment of aid program of recipient country's strategy. The donor and recipient should come to an agreement mutually in the process of developing the recipient's strategy to get better results after the assessments are carried out

According to Paris Declaration for Aid Effectiveness, "Managing for results means to manage and implement aid in a way that it will focus on the favorable results and to use information for improvement of decision-making." The principle obligates partner countries too, in to strengthening linkages between multi-annual budget processes and national development

strategies. They should working more in to establishing result oriented reporting and frameworks for assessment which will monitor progress. Donor is obligated to work with partner country and to rely on monitoring frameworks and reporting provided by partner country. The donor should harmonize its reporting and monitoring requirement with partner country to help in maximizing the joint formats for reporting. Donor and partner country should jointly work for strengthening capabilities and demand of country for result based management. They should together upon the partnership commitments and implementing those commitments to reach their objectives and aid effectiveness.

The international assistance effort in Afghanistan is often not motivated purely by humanitarian concerns, but by a variety of international and domestic political and security considerations. International actors are distracted by fighting in parts of the country and the influence of regional powers. Consequently, the effective delivery of aid is often secondary to other aims. Security is needed to maximize the impact of aid, but currently the situation is reversed: aid is being used to support military and political objectives. Can aid be effective if assistance is not the primary aim?

United States should have hold this as its responsibility to first exhibit its own transparency of assessment and also should have maintained to monitor and evaluate the previous investments to check the effectiveness.

Another challenge to “managing for results” is the lack of accurate information. Even basic statistics about Afghanistan, such as the size of the population, are lacking. Largely due to lack of donor coordination and communication, the Afghan government says it does not have information on how one-third of all assistance since 2001 was spent – some \$5 billion at the year

2008 A large proportion of assistance is not in aligning with national and provincial plans, and only half is disbursed in agreement with the Afghan government

2.5 Mutual accountability:

Donors and partners are accountable for development results

The fifth and last principle is mutual accountability in the Paris Declaration on aid effectiveness in fragile states. The donor should be committed to provide transparent, timely and comprehensive information about aid flow to the recipient country's authorities. When it comes to mutual accountability we see that both parties, United States as a major donor to Afghanistan and government of Afghanistan under two terms elected-President Hamid Karzai were not serious. Mr. President in his second last year of tenure brought up tremendous allegations against policies and double standards of government of United States and on the other hand, government of United States and its loudspeakers of International Media called government of Afghanistan as much corrupt as North Korea (Transparency International, 2013). Mutual accountability was undermined here due to these allegations from both sides.

The allegations against each other actually took rise due to neglecting by then-president of Afghanistan about signing the strategic security agreement between Washington and Kabul for next decade. According Afghanistan's official claims, United States was not serious and committed to bring peace to Afghanistan even if the strategic agreement was signed under presidency of Hamid Karzai.

To gain success, they both should be mutually accountable and transparent in using development resources. This will help to strengthening the public support for policies of partner.

country Donor is committed to provide comprehensive and transparent, timely information about flow of the aid so partner country's authorities could present budget report to its citizens and legislature. Where partner country must be committed to have a participatory approach to involve a wide range of development partners while assessing progress and formulating strategies of national development. It should work for strengthening role of parliament for building budgets or national development programs.

Many donors in Afghanistan and indeed many contractors and NGOs do not want publicly disclose details about their spending. Without increased transparency and accountability it will be impossible for donors to fulfill their commitments to taxpayers to enhance efficiency and effectiveness.

Conclusion

United States' Aid and Paris Declaration of Aid Effectiveness in Fragile States

Paris Declaration provides foundation for the effectiveness of aid in fragile states. However there are many factors that limit effectiveness of aid in Afghanistan. The United States must prioritize the effectiveness of aid in Afghanistan rather than prioritizing political or military aims. United States has not aligned its aid providing efforts with these principles that framework has indicated and thus the results are heavily undermined. Afghanistan's government and its people are critique of United States and that is more on the worsening security conditions of the country. Then when it's judged that how this happen while United States is spending more than half of aid for security sector alone? This is sometimes strange and doubtful. Afghanistan must have been one of the most secure regions of the world when the expenditure is figured.

Paris Declaration focuses on development aid and does not apply to relief and stabilization and this should be acknowledged. So environment in Afghanistan is complex and there must be debates about aid effectiveness and on how to improve impacts of aid in Afghanistan.

United States should measure the impacts of aid and should not only depend upon the process but should concentrate on effectiveness of aid. And finally to ensure to get towards improvement, both United States and government of Afghanistan must improve information and knowledge provided to all. This is not only money that can bring goals, its better management and alignment and preplanning. United States must admit its mistakes in Afghanistan's case and should consult Afghanistan's government and real problems of the people and reset all its efforts with regards to aiding Afghanistan.

CHAPTER THREE

ADDRESSING US AID AND ITS PURPOSES

International Aid or Foreign Aid is the transfer of aid internationally in forms of services, goods and capital from one country or international organizations known as “donors” to another country known as “recipient” to support the recipient countries tackle their long and short term issues. The aid can take form of military, emergency humanitarian and economic.

United State has worked with Afghanistan historically through ages. During the cold war however United States had helped Mujahedeen with anti-soviet efforts. After the defeat of Taliban in 2001, the effort of state building with Afghanistan’s new government took another phase and shape. United States at first unilaterally started efforts to build a new government in the country and after some while the allies of United States came together to help the country stand on feet and become a prosperous nation in the family of nations. United States has worked with Afghanistan in different prospects and sectors which would be discussed in this chapter.

3.1 Agriculture Sector:

United States Agency for International Development has worked with Afghanistan and Ministry of Agriculture of Afghanistan with their international partners to help in increasing the sale of lawful agriculture and non-agricultural items to more than \$472 million. It has created more than 555,000 job opportunities and has brought more than 1 acre land to better management for the natural resources.

For food security, Agriculture is considered essential and key factor in economic development in Afghanistan. More than 75% of Afghans are dependent on agricultural resources. This sector forms 25% of GDP of Afghanistan. Before decades of war, agricultural products such as almond, pomegranate, peanut, plum and apricot were world famous for their quality. Several decades of war and no focus upon this sector caused agricultural land to ruin, millions of people to migrate and infrastructure to vanish.

United State's support for agriculture of Afghanistan has been focus on creating employments, increasing the incomes, bringing production capability, developing food security and strengthening government's capacity in supporting farmers and bringing food to people.

3.1.1 Reestablishing the agricultural Capability of Afghanistan

After many decades of war and negligence, agriculture sector of Afghanistan has returned to its previous state. United State's aid in coordination with ministry of Agriculture, from 2002 till now has provided seeds, chemical fertilizers, agricultural equipments and technology for 1 million farmers to enable them in the agricultural activities. These efforts have enabled farmers and "Agricultural Products' Business" to earn \$354 million in through sales and services till 2014.

According to United States' aiding agency officials' claims, the organization has trained more than 1.8 million farmers and has provided debts to more than 24,600 families for developmental affairs of their lands. United States of America and its international partners have worked together to increase legal agriculture and non-agriculture products' trade income more than \$472 million (USAID, 2014 Annual Report). More than 277,000 employments have been added through alternative and sustained ways. In the agriculture sector, it has increased the number and has given strength to commercial debts. It has worked with farmers and local farmer to link them to international and regional markets. United States' agency for international development has provided support to bring food security to vulnerable population of Afghanistan in remote areas (USAID, 2014 Annual Report).

3.2 Democracy and Good Governance:

United States works together with the stakeholders in Afghanistan to develop transparency and rule of law, capacity development and enabling the people of Afghanistan. In year 2014, revenue of total 22 municipalities increased 57%. USAID agency created and supported national radio network with has 66 operating stations and estimated 22 million listener nationwide.

Afghanistan has developed in its political and administrative system. Political participation, especially from womenfolk is increasing. 2014 elections marked the first ever democratic transition of power in the country by inauguration president Ghani. However this won't be so much true to say the first ever democratic transition, since the first political transition was experienced when Professor Burhanuddin Rabbani, then-president of Afghanistan,

after tackling down the ruthless regime of Taliban, transferred his power to transitional government of then-president Hamid Karzai. Anyhow, this achievement is result of work and assistance of international community with Afghanistan. Since 2004 Afghanistan arranged its Constitution and created numerous ministries to provide services to the people and has supported the development of civil society and independent active media. According to a 2014 survey 57% of people regard National Unity government comparatively effective.

Since 2004, United States has enabled people through supporting democratic process and participation of people, increased accountability and governance, encouraged national reconciliation and has met the necessities of people of Afghanistan. Equal development and political leadership of women has been the primary aims of US aid in Afghanistan. The aid provided by United States has supported key institutions of election, parliamentary, judicial and executive with regards to their capacity building and leadership to people.

3.2.1 Governance

United States' aid has been focused on establishing effective relationship between citizens and government, enforcement of law and effectiveness of government and development of approach to governmental agencies in remote areas of Afghanistan. Since 2004 United States agency for international development has created more than 1140 boreholes of drinking water (USAID, 2014 Annual Report) and supported schools and clinics. These activities have enabled people to participate in decision making and provision of services.

United States as a donor by supporting government to reach to needs of people and increase in the rule of law in unstable areas and through developing the local leadership has

become source of development of governmental systems. United States supports establishing strong relationship between central and local authorities.

The agency for international development has also supported Afghanistan's Parliament and government servants in the capital and provinces and districts through technical trainings. This agency has supported financially prosecution of women parliamentarians by providing them trainings and in May, 2014 women representatives announced first ever Women Parliamentary Group.

3.2.2 Rule of Law

United States Agency for International Development with cooperation of Afghanistan government is engaged to build working capacity of judges and court authorities. The agency has trained more than 176 judges and 176 administrative staff of courts in managerial, leadership and administration of courts. This agency has also worked directly with religious elders to bring together customary and official judicial systems, increase the availability of justice and by resolving issues, helped and supported security.

3.2.3 Support for electoral processes

The 2014 elections with highest levels of participation, witnessed record voters with high level of women participation in whole history of Afghanistan. In this election 23% of votes were of women (USAID Report, 2014). Even though having security threats, citizens went to electoral stations to vote for presidential and provincial assemblies with whole courage. Since 2004 the

agency has supported financially electoral institutions including Independent Election Commission, Independent Election Complaints Commission and Media Commissions to execute transparent and nationwide elections. In addition to it, this agency has supported civil trainings and special programs for voters and reformation of electoral system through political parties and civil society partners.

3.2.4 Civil Society and Media

Active media is essential factor in a sound democracy. According to a 2014 Asian survey about people of Afghanistan, people have shown strong support and trust about Media and Press. Civil Organizations in Afghanistan have also arisen as effective stakeholders and active bodies. Civil Society Organizations in 2014 elections have introduced double representatives as comparing with 2009 elections, who were independently monitoring whole election process.

3.3 Economic Sector:

According to United States' aid agency, the aid provided by United States has made vital economic development in Afghanistan. 250 chambers of commerce have been inaugurated in cities like Herat, Jalalabad, Kandahar, Kunduz and Mazar-e-Sharif among which 52 of them are under Women ownership. It has helped to earn more than \$52 million dollars through Sange-Marmar. Aid has provided debt support to more than 2225 Afghan enterprises which amount to more than \$35 million dollars (USAID, 2014 Annual Report).

3.3.1 Economic Development

Three decades of war caused to ruin the economy of Afghanistan and more than 5.2 million people were displaced from their homes. Afghanistan's GDP has risen to more than \$52 billion dollars (USAID Report, 2014). United States in its aid efforts is committed to help create new employment opportunities, increase income by reaching the markets, encouraging business and regional integration and encourage legal modification which will cause more national and international investment.

3.3.2 Development and growth of Private Sector

United States supports very small, small and mid-level employments, and connecting to new markets and learning new skills. The aid is actively working to increase quality technical and business trainings, serving employment services, ease income by reaching the markets and developmental opportunities, it will work to raise the employment and salaries of 2.2 million Afghans among them 52% are women (USAID Report, 2014).

Since 2005 United States has strengthened private sector of Afghanistan through management trainings, reaching out to market information and gratuitous support to bring private and public sector near each other. United States' aid has worked with government of Afghanistan to set up 88 instances of cooperation and coordination between private and public sector that in result more than \$230 billion dollars are spent on construction, processing food items, producing consumer material, insurance, extracting natural resources, handicraft, media and communication and information technology from private sector.

3.3.3 Economics and Business Management

United States together with his international partners have worked with government of Afghanistan in areas of implementation of laws and policies to support business, increasing in export, encouraging transparency and reducing current hurdles in business. USAID has helped government of Afghanistan in negotiations with Pakistan about business agreement and supports its implementation, in addition United States supports Afghanistan to get membership of world trade organization. Since the beginning of technical support by USAID in modification of customs in 2005, the average time crossing the goods from boundaries of Afghanistan, it has reduced from many days to many hours. This organization has ease the ways to export fruits and nuts to India, Pakistan, UAE, Britain and other countries worth \$ 22 million dollars by improving the process of agricultural and marketing. Natural resources can accelerate the economic development of Afghanistan and is one of important income source for government. USAID supports development of technical, monitoring and governance of Ministry of Mines and Petroleum, private sector and public partners so that they are able to develop mine sector with responsibility.

3.4 Education Sector:

Three decades of war had devastating effects on education in Afghanistan. In 2002, almost 100000 children were admitted to school while girls and women were totally deprived from education. Since then government of Afghanistan and USAID and other donors have worked together to rebuild the educational sector. Ministry of Education together with support of

USAID has established more than 100000 schools and employed 10000000 teachers and has risen the admission percentage 60% (USAID Report, 2014)

Currently more than 10 million pupils are admitted to schools of which 2 0 million are girls Better educational opportunities for development of qualified boys and girls for Afghanistan with youngest population in the world is one of the pivotal priorities

USAID's educational strategy is focused on settlement of urgent necessities and strengthens processes and institutions of Afghanistan United States' aid has support education sector of Afghanistan In year 2000, one million children were admitted to schools Since 2000 literacy rate among the Afghan youth has risen 6% reaching (38%) as whole

3 4 1 Improvement in Primary Education

United States' aid has supported to improve the basic education by helping to train more than 74000 instructors of them 22000 were women It has also distributed textbooks to school reaching to 114 billion textbooks From year 2006 to 2011 it has enabled approximately 105000 students in remote villages to be able to reach schools from far and sometimes dangerous areas There are efforts going on to find better ways to transform community based education to more formal ways

United States' aid has been working with Ministry of Education (MoE) to build a sustainable educational system Its advisors have been helping MoE to strengthen the financial and human resources management, monitoring and evaluation and procurement systems

3.4.2 Improvement in Higher Education

Enrollments in Public Universities have risen from 7800 in 2001 to 123000 in 2013 and the demand to continue for higher education is growing. The University Support and Workforce Development Program (USWDP) are helping currently the higher education professional to effectively manage growth of tertiary education and at same time to improve academic quality. USWDP is helping to improve the capacity of management in Ministry of Higher Education and ten universities to create new opportunities for students to pursue their higher education.

3.5 Gender Sector:

The women in Afghanistan face enormous challenges. Afghanistan was ranked 169th by United Nations Inequality Index from 187 countries as women in Afghanistan struggle for equality in economic opportunities, political empowerment and healthcare. United States Agency for International Development has supported these struggles and critical progress has been achieved.

In 2001, almost no girl attended formal education and school. Women were neglected from every kind of participation in country. As of today millions of girls and women are busy in formal education and thousands of women attend universities. Due to access to basic and parental healthcare, mortality rates have declined largely and this is especially in the rural areas. United States' Aid effort has played its role so far in the areas of health, education, women's right, political participation and economic development.

3.5.1 Entrepreneurship

United States provides training and placements services for women and easy access to financial and credit products. Since 2011, for 575 businesswomen from all 34 provinces, has facilitated amount of \$1.86 million loans to private sector and conducted 22 business entrepreneurship training workshops for 1200 businesswomen. More than 3500 women have received their mid-career and professional employees and job-seeker trainings since 2012. More than 2000 women have got new jobs and or got promotions and increased salary incentives.

3.5.2 Education and Health

In Afghanistan, today girls and women have access to healthcare and education services. They are contributing to health sector and services to fellow women folk. Estimated in 2014, more than 3 million pupil girls are studying in school (USAID, 2014 Annual Report). US aid supports female enrollment in higher education.

3.5.3 Leadership

Female participation in economy, helping them to be businesses holders and having equipped with managerial skills, United States has taken a major initiative for strengthening Afghan women. United States has supported women's right groups and encouraged the increasing number of women participation in decision-taking positions in the government.

United States' aid and its partners have provided funds to conduct trainings and debates about women's right to bring the awareness to public about this issue. It has sponsored roundtables to

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promote dialogues about women's right United States' aid has provided trainings to female judges to manage courts, manage cases and to provide required process to their fellow citizens. Additionally, United States' aid has supported training for 2,135 women media professionals, 720 women executives, and 166 national legislators across the country (USAID Report, 2014). The work of United States' aid has helped to establish laws relating to women, such as Elimination of Violence against Women Law. United States' aid has encouraged women participation in public policy and advocate for reform, support equal voter registration, it also assists women candidates and gender equality in political parties.

3.6 Health Sector:

Lowest life expectancy in Afghanistan was recorded in the world in 2002. Today a significant progress is made in the health sector with collaboration of United States. 9 percent of whole Afghan population was living in one-hour distance from health facility, and today the percentage has risen to 57 percent. Infant mortality has decreased by 53 percent and child mortality by 62 percent (USAID Report, 2014). According to World Health Organization (WHO) in 2013, Afghanistan has made a good progress since 2011 in combating polio, which cases were reaching to 80 in 2011 and has dropped to 14 cases in 2013. However much work remains to be done according to USAID and the organization is committed to support health sector of Afghanistan.

3.6.1 Immediate Healthcare Needs

In 13 provinces of Afghanistan, US aid is funding 640 health facilities with medicines and essential support. This work of US aid with its international partners will spread to whole over Afghanistan. Approximately, 1 million patients, 76% of them women and children are treated in these health facilities funded by US aid (USAID Report, 2014). The aid is funding capacity building workshops for physicians and nurses and midwives. Afghanistan has nearly 25000 community health workers and the aid has trained nearly half of them (USAID Report, 2014).

To improve maternal and child's health, access to professional birth attendants is important. With the help of US aid, 2050 midwives are graduated and their number has increased since time of Taliban from 467 to 4000 in nowadays (USAID Report, 2014). Consequently, in rural areas of Afghanistan, access to parental care has risen from 16% since 2003 to 60% in 2011.

3.6.2 Building capacity in the health system

United States aid agency has supported capacity building programs to enhance the financial, procurement and the system for management of Ministry of Public Health. United State's aid agency is committed to work with MoP to improve its capacity for making plans and managing its activities, the allocation of its resources, increasing HR capacity, strengthening information about health and logistic system. It has also provided assistance to monitoring an evaluation of programs. US aid agency has made standards of being a responsible, accountable and transparent institution as requirement to be eligible for receiving funding from government of United States for implementation of particular programs.

3.6.3 Building access to healthcare by private sector

United State's aid has helped to make health products more affordable to rural and low income population through expanding private sector distribution of selected, high quality birth control pills, salts for oral rehydration and solutions for safe water. United State's aid with regards to spreading the public health messages, like space between birth and preventative measures for diarrhea, has supported radio and TV, community meetings and billboards for the purpose.

3.6.4 Humanitarian Assistance

Prolonged conflict, weak infrastructure, rigid terrain, severe and bad weather climate and high level of insecurity have badly affected Afghanistan in past 3 decades. There are other factors which make the condition worse for the humanitarian landscape. majority of population lives in rural areas which are hard to reach. More than 700000 of population are internally displaced which are due to conflicts. More than 200000 people are in exposure to natural disasters every year. Over 2.2 million of population is estimated to be faced with insecure food (USAID Report, 2014).

In such a condition mentioned above, United State's aid agency in Afghanistan takes these steps as required: 1) supporting targeted responses to meet humanitarian and food assistance needs of conflict and disaster-affected populations, 2) building resilience by supporting community-based mechanisms that incorporate disaster risk reduction and emergency

preparedness, and 3) supporting coherent and coordinated national disaster preparedness and humanitarian response systems (USAID Report, 2014)

3.6.5 Preparedness and Response to Natural Disaster

Together with Afghanistan's National Disaster Management Authority or ANDMA, United States' aid works in order to monitoring, assessing and responding to disasters in Afghanistan. They are working to provide non-food emergency relief for the distribution on immediate form. They are also working to manage hazard mapping, planning and capacity building measures for the people exposed to disaster and to control over smaller scale of floods. In the first half of 2014, United States' aid assisted approximately 85,500 disaster-affected Afghans by providing shelter kits, blankets, and other emergency relief commodities. In addition, support is given to NGOs to provide shelter and water, sanitation and hygiene (WASH) assistance, including improved sanitation facilities, access to clean drinking water, and hygiene awareness training, to families affected by natural disasters (USAID Report, 2014)

3.6.6 Assistance of Emergency food and food security

United States is adding through providing food assistance to fight the hunger and strengthen food security to population mostly vulnerable. In FY 2014, the agency provided 42,270 metric tons (MT) of in-kind food assistance to the World Food Program's emergency food and nutrition assistance efforts, which reach nearly 2.4 million people.

3.6.7 Nutrition and Health

In FY 2014, United States' aid provided 830 MT of ready-to-use foods designed to treat severe acute malnutrition (SAM) to the UN Children's Fund (UNICEF) and treated approximately 60,000 children with SAM (USAID Report, 2014). United States is supporting WHO in providing critical healthcare services to make them develop and apply heavy casualty management plans. Support is also provided to UNICEF to increase access to WASH services in all 34 Afghan provinces, specifically targeting children, as poor hygiene, lack of sanitation, and inadequate access to safe drinking water directly contribute to infant mortality and morbidity, as well as under-nutrition (USAID Report, 2014).

3.7 Infrastructure:

Over the last decade United States has heavily invested in building Afghanistan's infrastructure and now is focusing to improve Afghanistan's government and capability of private sector for operating and maintaining this investment. Still many far areas in Afghanistan are in lack of infrastructure and households do not have water for cleaning, cooking and drinking which poses enormous danger to public health. Thirteen years ago, most of villages in rural areas had absences of electricity, clean water and roads to make it easy to reach health clinics, schools and services. Undeveloped roads were posing a great hurdle for movement of goods to international and domestic markets and there were no police and army presence, no government services due to being in isolation.

United State is helping Afghanistan's government in supplying electricity, expand the access to drinking water, design and build and maintain roads and build schools, hospitals and

clinics. United States is committed in to helping strengthen basic infrastructure, encourage investment from international community and growth in economy, creating jobs. However security threats, rigid geography and lack of professionally trained technicians are some of challenges.

3.7.1 Energy

Thirteen years from now, 6% of Afghanistan had access to power while this percentage has risen to 28% today (USAID Report, 2014). In southern Afghanistan, together with US military, United States' aid developed electricity generation network. In Kandahar and Helmand provinces, it has distributed their first ever access to electricity to 80000 households. With support of United States' aid, Afghanistan's electricity managing authority has been able to distribute electricity and collect revenue. Power delivery has risen 18% (USAID Report, 2014).

3.7.2 Roads

United States has invested in this sector amounting to \$2 billion to rehabilitate and construct more than 2000 kilometers of national roads. This project included the Ring Road which is connecting five major cities of Afghanistan: Kabul, Mazar-e-Sharif, Herat, Kandahar and Jalalabad. Approximately more than 80% of populations live within 50 kilometers distance from Ring Road. United States' aid is supporting Ministry of Public Affairs to establish an independent Afghanistan Road Authority which will improve the efficiency and accountability through implementation of road-users fee to finance road relation operations and maintenance.

USAID as an agency operating in Afghanistan is committed to safeguard previous investments in this sector and supporting the government and private sector to develop the capability to generate revenue to expand and maintain Afghanistan's road network

3.7.3 Sanitation and Water

Only 39.9% in rural and 70.9% in urban areas, households have access to drinkable water (USAID Report, 2014). More than 3000 wells in rural areas and more than 615000 populations are given access to pure and drinkable water. Approximately 33000 latrines are constructed to prevent disease spread (USAID Report, 2014). United States through its aid is also supporting trainings for officials related to water management network and for their capacity building for sanitation services. The efforts are vastly promoting revenue collection and sustainability for these projects which are also cost recovery to some extent.

3.7.4 Buildings

United States' aid has supported through funding to design and build hundreds in number of hospitals, clinics and teacher training centers, schools, universities and university residences and buildings for government offices throughout Afghanistan. All United States' aid funded buildings are built since their start in 2007 to meet seismic standards of International Building code (USAID Report, 2014). The top priority has been for buildings for areas where there were high demands for education. Through United States' aid funds, two schools for more than 12000 students are built in Kabul City and four teacher training centers in provinces like Faryab,

Parwan, Nangarhar and Wardak. Six more buildings are built in Herat, Balkh, Jauzjan, Faryab and Bamyan provinces. These aids are also building to complete two hospitals in Paktia Province: 100-bed in Gardez, capital city of Paktia and 20-bed in Khayrkot hospital.

Conclusion

United States is one of major donors to Afghanistan and plays key role in developmental efforts in international aid. It is important to address the aid provided to Afghanistan due to its role and volume since United States is number one in the list of donors. When 9/11 happened only one month took time to decide about fate of Afghanistan and the Taliban. United States attacked Taliban and poured huge amount of money to aid the war-torn country.

At the beginning it was only United States but soon its allies and international community joined the efforts. Many conferences and international conferences were held to help Afghanistan to overcome its basic and essential needs. The very first conference was held in December 2001 between many political factions to come to an agreement in Bonn, Germany where Hamid Karzai who was not very known in the Politics of Afghanistan was selected as leader for first six months tenure. This was when Burhanuddin Rabbani, the President of Afghanistan handed over authority to Hamid Karzai which was first ever political transition in the history of Afghanistan. The country has never experienced such a normal and fair power transition from one head of state to another head of state. Robert Gates, then-defense minister of United States in his speech in January 2009 to members of congress said that Afghanistan is the biggest challenges for United States and it is indeed. What they have been doing in Afghanistan starting from 2002 until 2014 has to be studied. In 2010 another one-day conference was held on

the name of Afghanistan and Afghanistan committed to take security responsibility for most of the insecure regions in the country. On the other hand international community committed itself to pour hundreds of millions of dollars as aid to Afghanistan for security and stability. In July 2010 International Conference of Kabul was held in Afghanistan where more than seventy countries were participating including secretary general of United Nations. This was emerged to focus on the security and economy of the country. In November 2010, another conference was held upon security transition to Afghanistan's National Forces between NATO members in Lisbon. They agreed to carry out the security transition to Afghanistan till end of 2014. In December 2011 second Bonn Conference was held where Taliban was also invited. They rejected to attend the conference and so did Pakistan. Pakistan did not attend the conference to protest the killing of its 24 army personnel in border region with Afghanistan by NATO strikes. In July 2012 Tokyo Conference was held with participation of donor countries. The donor countries committed to aid amounting to \$16 billion till end of 2016 as humanitarian assistance. They committed to support Afghanistan through aid only in case Afghanistan's government takes firm steps in fighting corruption.

CHAPTER FOUR

CHALLENGES AFFECTING US AID

According to US Congress figures, aid provided to Afghanistan has become the most costly effort United States has ever committed to a single country in its history. Yet according to World Bank estimates in year 2013, Afghanistan will need more than \$7 billion in next decade to be able in to sustaining and funding security forces, keep reconstruction gains and fill the gap between revenues of government and operations and maintenance expenses.

Reconstruction aid a term which has cost United States to spend approximately more than \$110 billion, figures in March 31, 2015 indicate. These enormous funds are used to build National Army of Afghanistan, for good governance, conducting development assistance and engaging in counter narcotics and anti-corruption in which Afghanistan is believed to be on top of the list. But when investigations are put on, reconstruction aid has been injurious and not only useless to the people of Afghanistan. Most of the aid has been spent only on security related areas.

It's witnessed that almost 70% of all aid has been put to security and rest of 30% was allocated to reconstruction and thus about 400000 men and women are part of security personnel. Due to lack of job opportunities, more people are encouraged naturally to work in armed forces. At the same time, in some rural areas people are where there are sympathies for insurgents, there is risk of being pushed in to those groups to fight against government.

The stance of government of Afghanistan is somewhat same as critics of aid illustrate the fact. Official stance of government is as "there is a gap between what the government of Afghanistan asked United States and what they have chosen to invest in." It is matter of fact that government of Afghanistan would thank international community and United States particularly for taking leading role but money has been wasted instead of being useful for the people.

When we check the security conditions of Afghanistan, Taliban are still not defeated. They are posing great danger to Afghanistan's government while in 2014 they were stronger in the northern areas of Afghanistan. They challenged government and rule of law in Faryab province, and ousted government's control from Kunduz province for fifteen days and we should not forget security sector has spent 70% of aid. According to reports from United States Intelligence Community, Taliban are still capable of challenging US and international goals in Afghanistan. Is it a result of United States' commitment to bring peace to Afghanistan or we have heard it wrong, as points ex-president Hamid Karzai in an inclusive interview. He doubts all the efforts of United States and calls it a clear double-standard.

According to a report by Afghanistan Analyst Organization in 2013, the intensity of war has not been decreasing since 2002 but its increasing. There is another \$18 billion appropriation for Afghanistan reconstruction from United States for next decade and there are doubts whether

it's wise decision to pump more money to Kabul without having a good planning coordination, joint efforts for choosing priorities and using national development strategy of Afghanistan (The Washington Post, 2014)

Poverty reduction funds are part of what is being spent on military objectives. According to figures provided by the Washington Post, US military spends \$100 million a day while expenditure for all donors since 2001 on average basis is just \$7 million a day. The report indicates that huge amount of funds are flowing to the areas where there is conflict and aid instead to be used for poverty reduction is used for military and political goals. As there is link between poverty and conflict international community and United States should concentrate on poverty reduction. As Waldman states, "this is a short-sighted policy" while there should be strong support for south's development, other provinces must not be neglected since insecurity could spread there too." The volume of aid, specifically for rural areas should be increased and donors should cooperate and provide more aid through government of Afghanistan.

Sustainability of millions of dollar projects is posed to challenges by Taliban who are waiting to exploit the vulnerabilities of Afghanistan's government. Without a standard financial structure to take huge scale of aid, it was a mistake to pour billions of dollars in to a war-torn country.

Prior to 2010, aid provided by United States was mostly through contracts, cooperative agreements and grants which were implemented outside the government budget or to say off-budget that was far more beyond the reach of Afghanistan's government. However after 2010, other donors and United States have agreed to increase more assistance and support through on-budget principle and help Afghanistan's institutions in their capacity for managing funds and

providing services. In the mean time while international donor community has brought this condition upon government of Afghanistan to fight against corruption and demonstrate the capacity in managing aid funds in a transparent way to be able to receive more aid.

While what real interest of United States in Afghanistan is, ex-president Hamid Karzai accused United States that it never wanted Afghanistan to be in peace. He believed that Washington wants war in Afghanistan because of its own interest and war in Afghanistan is to benefit foreigners, and it's based on the aims of foreigners, and if United States wanted peace in Afghanistan, it could come already.

The special investigator general for Afghanistan reconstruction (SIGAR) says the government of United States is partly responsible and should be blamed for funds which are misused. According to SIGAR, the causes are not just problems related to Afghanistan, because they are operating the way United States wants them to do. SIGAR believes that the Pentagon and USAID suffer from poor planning, accountability, oversight and corruption. SIGAR reported that the cost for building a natural gas station in north Afghanistan has reached to \$43 million which is currently not operating because there is no demand for it and yet no one is responsible for it.

4.1 Ongoing Challenges in Afghanistan

After 14 years of intervention in Afghanistan, there are still many long term challenges face by Afghanistan. These challenges must be solved to overcome the obstacles in way of effectiveness of aid.

4.1.1 Inadequate Planning

According to Special Inspector General for Afghanistan Reconstruction (SIGAR) there has been lack of inadequate coordination and planning which has resulted in increased expenses, waste, unsustainable projects, delays in them and also not using the facilities which were intended to be used. Some of the programs and projects are failed to reach their objectives, like supporting efforts in counterinsurgency, improvement in governance and economic development. Special importance is at this time for planning as United States has withdrawn most of its armed forces and transition has taken place. Now what to do next will determine the future of the country.

4.1.2 Poor Quality Assurance

There have been poor quality assurance especially with regards to infrastructure projects and it continues to be a big issue. According to SIGAR, soil issues, inappropriate site grading and incorrect usage of facilities is one of issues related to quality assurance.

4.1.3 Poor Security

Another major challenge which affects every sphere of reconstruction effort is poor security taken from implementing projects to monitoring and oversight.

There are reasons behind it however and the first to mention is due to dangerous environment, NGOs and contractors have to rely more on their private security services. According to Afghanistan's government, they were required to contract with Afghanistan

Police Protection Force (APPF) instead of contracting with private companies for security purposes. According to SIGAR report in 2012, projects of US aid, it has found that contracting APPF would result in increased cost due to APPF fee structure.

Secondly, when United States and International forces withdrew, it resulted in difficulty for implementing and monitoring projects due to the fact mentioned above. This has brought a challenge for implementers and inspectors both to visit and inspect those projects. The security forces of United States have a policy to only provide security services in those areas which are near to roads at one hour distance or near one hour travel to a medical facility, which causes a hurdle for inspection.

4.1.4 Questionable Sustainability

Sustainability itself is another great risk for the efforts of reconstruction. United States has built infrastructures and launched programs that government in Afghanistan has neither technical ability nor financial ability to operate and maintain. According to SIGAR, United States has poured tens of billions of dollars for everything like from electricity networks to roads and to schools, security facilities and clinics. Government of Afghanistan is not capable to have enough revenue, human capital and institutional capability to maintain and operate much of this infrastructure.

However, government of Afghanistan in past 13 years is not well satisfied with what west did in form of financial support. Most of critics are focused on off-budget spending where government was not well aware of the expenses in the name of Afghanistan and in some cases government of Afghanistan was not even asked whether a

huge and costly project is needed or not? Or at least what are priorities for the government of Afghanistan. As president Karzai has mentioned that after taking office, government of Afghanistan presented basic two proposals for rebuilding our infrastructure. These proposals were about reconstruction of roads, provision of electricity and building dams for national electricity to provide nationwide. "About the reconstruction of road they were interested" as Mr. Karzai says "Because actually they needed roads for their own needs" so they started reconstruction of roads to link provinces in better way. While in the sector of electrical energy they never assisted us to be self-reliant. United States has not taken any sort of firm step to work with government of Afghanistan. At first they responded with "Yes" but then they rejected and stepped back. They told us to approach World Bank and Asian Development Bank while they were also not interested. As Mr. Karzai puts it out, "they (WB & ADB) were also under their (US) hands." According to him, United States was not and is not true about its war and engagement in Afghanistan.

4.1.5 Pervasive Corruption

Entire efforts for construction in Afghanistan are threatened by corruption. It takes away funds from important programs, questions rule of law and decreases public support for the government of Afghanistan. Audits have shown that there have been shortcomings with regards to capacity of government of Afghanistan and there is lack of political will to fight corruption and it was recommended by SIGAR for United States to introduce an integrated anti-corruption strategy but US embassy in Kabul developed a

draft of it while it was left not adopted SIGAR is now working on the draft to evaluate it and implement this draft

Regarding the matter of corruption which international community and particularly United States believed in Afghanistan, it is debatable to most extent In an inclusive interview with Tolonews, the ex-president of Afghanistan, Mr Hamid Karzai negates this notion According to his thoughts, he believes these phenomenons is normal in all countries and especially in post conflict countries like Afghanistan but he strictly responses upon questioning government under his leadership He says there was corruption in Afghanistan and he does not reject it, but it was not to the extent International Media were quoting Interestingly, he says all these negative propaganda was to put pressure on him to align his support for all what United States wanted to do in Afghanistan He says major corruption instances are caused by foreigners themselves

He further continues by expressing that, "we started from zero, there was not any institution in Afghanistan, and there were not educated staff in country's machinery We brought advancement to Afghanistan, we handed over organizations to new government, we brought national assembly, freedom of speech, civil services, and we established foundations of national army for Afghanistan "

There is no doubt that state-building is a major task, it's not one day or night job to do It's neither by chairs, tables and computers but it needs to educate and have talented individuals Mr Karzai states that if there were such big corruption that Afghanistan was number one in the world, then how these changes took place? He further defends his government and says, "In 2001 when new government took office,

Afghanistan's income per capita was only \$150 and while he was leaving office for National Unity government, it was raised to \$700 Afghanistan's foreign currency reserve was less than \$180 million including gold reserves and today it has reached to \$75 thousand million which is more than some neighboring countries (Tolonews, 2015)

4.1.6 Concerns about Direct Assistance

There is a hot discussion in Afghanistan's media and panels about direct assistance. Everyone questions United States and other donors for the matter. Direct Assistance is defined as the aid which is provided through national budget of a recipient state. In the International Conference in London in January 2010, United States and other donors supported this request of Afghanistan about increasing the development aid's proportion to 50% over two years. This support through on-budget aid was made conditional for Afghanistan. Afghanistan's government was ought to strengthen its financial management system, fighting corruption, improving execution of budget and to develop the capacity of government. After six months in Kabul Conference on Afghanistan, United States and International donor community reaffirmed their commitment to channel 50% on-budget support for government of Afghanistan in case government in Kabul has achieved the goal and necessary reforms.

Due to lack of capacity of government in Kabul and accountability for funds of donors, increasingly corruption and the requirement of adequate oversight for long-term, donors believed direct assistance to government of Afghanistan would threaten the objectives of reconstruction.

4.1.7 Lack of Afghanistan's Capacity

Some studies have indicated that the direct assistance could have better results on Afghanistan's economy the assistance in sense of "off-budget" For example World Bank has called upon international donors for increasing the on-budget flow of and to manage operations and maintenance with systems of government which will help in aid effectiveness. However same WB has warned that government of Afghanistan would need to overcome serious capacity hurdles for being able to receive and use aid on budget effectively.

The execution of budget still remains a problem for government of Afghanistan. In December 2012, House of Representatives of Afghanistan took decision to impeach eleven ministers for their failure to spend at least 50% of their prior fiscal year budgets (Tolonews, 2012). According to WB, over next years, there would be a push needed both by government and donors to improve capacity of government to spend the required budget.

4.1.8 Imbalance between executive legislative and judicial branches

We discussed much about mismanagement and corruption in United States but that is one side of coin. We cannot forget about what government of Afghanistan in two terms of President Hamid Karzai has done. One of major problems in post-conflict states is commonly issue related to rule of law and its enforcement. In Afghanistan it is more than that. Afghanistan has long-lasting conflict due to movements of insurgency. The institutions of Afghanistan are still weak. After the fraudulent elections of 2009 and

2010, Hamid Karzai, his government and parliament of Afghanistan had arrears in their legitimacy. The balance of power between legislative, executive and judicial branches did not work well. The executive branch manipulated and dominated two other branches and Parliament was fragmented. The judiciary was most corrupt among the state institutions (Afghanistan Analyst Organization, 2013)

Effectiveness thus was decreasing from center to provinces and district levels. The constitution was not followed while it was repeatedly breached by executive

4.19 Corruption

However the government of Afghanistan is committed to tackle the deeply rooted corruption but to some extent it has remained not very serious to take actions to prosecute officials who are in high ranking or well connected. According to Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) some ministries like Ministry of Finance and Ministry of Mines and Petroleum (MoM) has made progress to recommendations of Committee to fight corruption but justice sector has not yet met with the required recommendations. So due to wide range of corruption, the direct assistance would have risks which will create harm and would only benefit those who are well-connected.

According to Integrity Watch Afghanistan report out of 1000 projects of constructions 60% of them were not completed while with their financial resources fraud and misuse was committed. IWA believes that the donors were routinely failed to carry

out the required support to ensure their funds will not be misused and misappropriated. According to IWA findings, the unavailability of information and statistics regarding projects, expenditure of projects are not clear and the issue is same for many projects. This shows totally insufficient coordination of recipients and donors and causes failure of monitoring the implementation and no one can ask about statistics of spending. This is a problem with government of Afghanistan which has shown negligence with regards to these issues which has resulted in corrupted and incomplete projects in the country (IWA, 2013)

There are also such cases where the projects only remained on paper and funds were pocketed where plan was made but construction of a road was left damaged. However Ministry of Finance assures that it would be ready and prepared for accountability for 21% of aid which was spent in national budget.

About 60% of population in Afghanistan is under 25 since the average life span is 49. United States Agency for International Development decided to help this young group of population and believed this group of unskilled and neglected population are more in vulnerable conditions and are prone to join insurgency and so established a 3 year program for this generation to be productive society members of Afghanistan and allocated the program \$50 million. But Inspector General found that there is "little evidence" that this program had come near its goals after two years past. There is a darker image of this summary which show near-total failure of the program offered. USAID has submitted this project to a contractor while didn't pay little attention to it.

This is unfortunate to say that almost every project of foreign aid in Afghanistan has same fate

In a report by SIGAR it has revealed that total amount of funds of United States for nonmilitary sector, since 2002 it is some \$100 billion which is more than United States has ever allocated for rebuilding a country. This was data of July 2014, and after that Congress has pledged \$16.5 billion more for reconstruction. Saying all that huge amounts, neither Afghanistan's government nor United States has brought one single sustainable program or institution (World Affairs Journal, 2013)

4.1.10 Forms of Corruption

According to surveys conducted by several agencies, over 70 types of corruptions are there which have affected the people which are from public administration and elected bodies to Taliban, international aid and private sector. Most of victims of corruptions are reported to be affected from government institutions (Survey Asia Foundation)

4.1.10.1 Bribery

According to Asia Foundation survey people must pay bribes in Afghanistan to secure most of their public services. Another United Nation study shows that bribes are

almost the only source to rely on to complete most of public services. Petty briberies have been one cause of distress amount Afghanistan's citizen

Teachers, judges, custom officers and prosecutors are those employees who mostly receive bribes. According to a UN estimate in 2012, 50% of population has paid bribes in that year where it believes in some parts of the country the percentage has raised to 70%. Doctors, paramedics and nurses are accountable for 15 to 20 percent of whole bribes. In 2013, 43% of population believed that civil servants are corrupt. In 52% of households, at least one member of them had applied for public jobs while 45% have paid bribes to secure the jobs.

4.1.10.2 Corruption in Education System

The biggest form of corruption exists in education sector which involves "ghost teachers" and sometimes teachers who are double-registered. According to SIGAR report it says that senior officials in this ministry were intentionally falsifying data on number of schools and teachers to over-bill international aid providers. Thus millions of dollars were used to pay funds for those nonexistent teachers and schools which were sort of encouraging dishonest officials of Afghanistan.

According to an article in Gulf Today in 2012, it has explored that in many schools there are not teachers or there are teachers who do not understand anything about their subjects, and teachers who cannot read or write. 20% of aid budget for teachers'

salary in one province to actual teachers and rest went to education officers instead of ghost-teachers

4.1.10.3 Graft in Customs System

There is graft in within the customs system according December 2014. This phenomenon is the actual reason for the shortfall of revenue in of government. Since then little has been done to tackle the issue. Being custom agent is one of most well-earned jobs in Afghanistan and the job may be offered to an individual who is well connected to corrupt officials in the provinces or in center. Experts believe the custom agents are one of primary sources of corruption (Tolonews, 2014)

4.1.10.4 Cash Smuggling

According to Washington Post reported in December 2012, United States had provided to Afghanistan with bulk currency counters in Kabul International Airport to help in preventing the cash smuggling while in response government of Afghanistan provided a way to bypass machines for VIPs

4.1.10.5 Nepotism and Patronage

Getting public jobs is based on nepotism and favoritism unfortunately and merit does not speak here. Overall patronage politics is central route of growing corruption in Afghanistan. Patronage is century-long tradition in Afghanistan and now it has become integral part of society. Because of this issue individuals without connections have enormous difficulties to get positions in government. On the other hand corrupt officials enjoy impunity, the honest officials are denied from reaching powerful positions.

4.1.10.6 Judicial Corruption

According to UN and Transparency International majority of people in Afghanistan consider judiciary as most corrupt. Judicial corruption is a common issue in the country that affects all levels of legal system. Corrupt individuals in Judiciary can fill their pockets with hundreds of thousands of dollars as bribes. Appointment of judges is as a result of “under-the-table deals” that are largely unqualified with legal standards. Judges are subject to pressure of warlords and other influential individuals in Afghanistan. There is no oversight by other branches of government which gives it open hand and transparency lacks even in Supreme Court decisions.

4.1.10.7 Corruption in Police Forces

The Afghanistan National Police (ANP) is considered corrupt and ministry is criticized for being failed to account for billions of dollars allocated for salaries of police.

through a United Nations administered trust fund. Corruption of higher officials has rubbed half of the common police which have pushed them to take bribes from public.

According to a survey in 2012 by Asia Foundation it has found that half of those people who dealt with police officers in previous years were been forced to pay bribes. From 2009, policemen in some parts of Afghanistan started to get their salaries through their cell phones which made it safe to skim off part or half of their salaries. In October 2014 the Fox News reported that police officers have stolen \$300 million from a UNDP fund used to pay to police officers. According to a 2015 report, some police officers have informed Taliban about operations for bribe.

4.1.10.8 Corruption in Military Forces

The National Army of Afghanistan is more professional than National Police but unfortunately faces misallocation of resources and bribery. It is also reported that Afghanistan Air Force officials were trafficking opium and weapons. As a report indicates, due to corruption Defense Department has lost account for 200,000 weapons which were allotted to Afghanistan National Security Forces and Afghanistan National Police and report believes that these weapons were sold to Taliban.

In another rare case, reported by Aljazeera, the oversight committee of Ministry of Defense reported that more than \$200 million was over paid to fuel contractors and later senior officials were fired and the contracts were cancelled. In May 2015, another

report was revealing that Afghanistan's forces were selling U S weapons to Taliban and most of light weapons supplied to Afghanistan's security forces were lost

4 1 10 9 Kabul Bank Scandal

The bank was established in 2004 as the first private bank after Taliban. Two individuals were founders of the bank namely, Khalilullah Feroze and Shir Khan Farnood. The Guardian has named Feroze as an individual who is second in rank to damage Afghanistan after Taliban. Kabul Bank was put in charge of the payroll accounts for nation's civil servant, police officers and soldiers. Ex-President Karzai's brother Mahmood Karzai became third share-holder. It is reported that Kabul Bank has spent \$4 million in 2009 second election campaign for Karzai in return to get 430000 government accounts.

According to report, Farnood and Feroze drained the savings of depositors which was almost \$579 million and caused a deadlock so the bank collapsed. The scandal demolished confidences in public banking system and many foreign aid payments were dried. Feroze was convicted and was imprisoned for his role in Kabul Bank but in November 2015, instead of being kept in prison he signed a new contract with National Unity Government to build a huge real-estate called *Shahrak-Hoshmand* in Persian or Smart City.

However President Karzai negates his role and other stakeholders in the collapsing of Kabul Bank. He expresses his views that the actual responsible is Embassy

of United States in Kabul. He says in a meeting with General Petraeus and then-ambassador of United States in Kabul, Dr. Rangin Dadfar Spanta, chief advisor on National Security, Omar Zakhilwal came in unannounced and during the meeting he pointed out the issue of Kabul Bank to Ambassador. He told that some officials from Embassy of United States were telling senior Bank staff to transfer money from Kabul Bank to Dubai Banks. He says all this was the plan of United States. Through this they wanted to put pressure on him to sign Strategic Agreement. When this was exposed by Omar Zakhilwal, Finance Minister under Karzai, he says he was threatened after the meeting by them and was told not to give any further comments about this.

4 1 10 10 Zakhilwal Scandal

In August 2012, Omar Zakhilwal, who was Finance Minister under Karzai and now Advisor to Ashraf Ghani, committed a huge fraud of more than \$1 million and transferred it to his bank account in Canada. Zakhilwal was accused of hiring his relatives as senior customs officials. Upon impeaching him in parliament of Afghanistan, Zakhilwal charged several Members of Parliament with smuggling flour, processing more than 2000 illegal cars, smuggling oil tankers and alcohol and thus he secured his position. It was then where international aid and military organizations also encouraged corruption. They were granting contracts to Members of Parliament who owned illegal businesses.

Conclusion

As mentioned above working with fragile states is having its own troubles and hardships. In a scenario like Afghanistan, and list of challenges that International Community, particularly United States faces in Afghanistan is not a surprise. One of major issues giving birth to other issues is the lack of planning and coordination. Negligence of recipient government's national priorities and going for what donor believes better than owners of the land. Taking big decisions instead of others may give a donor leading role but it also gives a backlash. We can clearly observe from what United States has done till now from work of SIGAR which is a body for oversight of funds provided by United States. In most of the projects SIGAR has indicated that there were inadequate planning, poor quality assurance, and questionable sustainability. While these matters are not alone for one side, both United States as donor and government of Afghanistan are responsible for them. Unfortunate and miserable phenomenon of corruption brought hurdles on the way of advancement. It blocked the assistance in its direct form and in-budget mechanism. Indeed there were lack of capacity and ability to handle and use aid correctly in prioritized fields. United States and government of Afghanistan must take concrete actions to come up with solutions and pave the ways and to get fruitful results for their joint efforts.

CHAPTER FIVE

MISMANAGEMENT IN COUNTERING THE ISSUES, CORRUPTION AND WASTE

There are always debates about corruption in Afghanistan. Mostly this phenomenon is associated with government of Afghanistan and internal political system. According to Washington's political elite, Afghanistan's officials are the ones who are benefiting the most of this corruption. Over the years, it is perceived that politicians are ultimately gaining from corruption and believing so it means that failure to gain from reconstruction aid is due to corrupt political system in Afghanistan.

The state institutions of Afghanistan were having insufficiency to take leading role in effort of development so large portion of assistance for development which was aimed for reconstruction was spent through off-budget and non-state development actors. This caused in parallel institutions with government and most of aid funds were allocated to the conflict zones and areas to for stabilization. In Afghanistan, according to Integrity Watch Afghanistan's report

in 2013, aid for development was tied with security objectives which brought unjust and wrong distribution between provinces

Most of Afghanistan's population argue that volume of international aid has not been used properly and they believe it is mainly due to overemphasis for the security sector which resulted in negligence to build other state institutions. According to Crisis Group, priorities of many donors including United States were for short term projects and impacts in those areas where international forces had presence. Funds were poured in Afghanistan not completely according to priorities of government and its people. The aid was not need-driven but donor driven. This mechanism of donor-driven has undermined the principle policy of international community to stabilize Afghanistan and to tackle the root causes of insurgency. If there isn't any change in the approach, objectives will not be achieved as required. The Asia report on aiding Afghanistan states that shift of strategy is a must thing to carry out to continue in a better way further engagement with Afghanistan.

There is a disagreement among civilian and military actors with regards to objectives of aid and how to get results from it. There is a big negative image about foreign donors and their efforts. Most of their projects are not sustainable, electricity comes from neighboring countries and military and police are paid from foreign aid. So far, reconstruction aid which has come to Afghanistan amounts to \$110 since 2001 (The Diplomat, 2015). But when we observe the development in the country, nothing is evident to prove it. Even in the capital of Afghanistan, where most of foreign investments, NGOs and businesses are active, the social development and infrastructure is still lacking. Other parts of the country that are almost no-go-zones due to security issues for foreigners lack basic services. So where has the money gone?

Such aid providence is called as phantom aid. According to ActionAid, it refers to the aid which never reaches to the recipients actually. The aid gets looted on the way when it reaches to destination.

There are also many problems with regards to spending and utilization of aid. One form of phantom aid is tied or conditional aid. This form of expenditure happens when aid is used to buy armament products. There are examples of utilization of aid on foreign technical assistance, salaries to foreign workers in Afghanistan. Donors have build projects for quick impacts like cheap roads and buildings in the country to win the hearts and minds, which is due to their national reputation and thus have prioritized over helping Afghanistan.

A significant amount of US aid to Afghanistan has been spent to gain military and political objectives but still there are not any sustainable achievements. More than half of its budget was used on four most insecure regions and provinces which is an example of mismanagement. For example according to USAID Report in 2007, if Helmand province was a state, it would be ranked as fifth largest recipient of United States' aid in the world which other secure regions needed funds to get more developed they were ignored. United States' either didn't want to bring real change and development or they were not aware of the priorities of people and government of Afghanistan. Their investment lacked enormously management and where to spend the funds.

Reports indicate that 40% of aid provided to Afghanistan for development was returning to the donor countries. Afghanistan was deprived of amount of \$10 billion of promised aid on one hand while 40% is returning home country through consultancy fees, and salaries so what should we expect from it. It has been also witnessed that western donors have failed to provide

aid they have promised together with phenomenon of corruption in their agencies and their efficiency undermines the results of peace in Afghanistan

The United States is the biggest donor to Afghanistan and it is in first rank due to shortfalls in aid. According to Afghanistan's governmental reports, United States has provided half of what it has committed to provide from 2002 to 2008. Most of projects conducted by United States were first given to some specific American companies where they committed fraud and resold it to other local companies and funds were misused and wrongly reported. For matter of example, we can indicate that a road from Great Ahmad Shah Massoud square to Kabul International Airport was built by Louis Berger Group which the company sub-contracted the project and reports by entity of Integrity Watch Afghanistan the road was build with expense of \$2.4 million per kilometer which is at least four times a road's construction in Afghanistan (IWA, 2007)

The biggest donor for Afghanistan is United States in all international donor community and friends of Afghanistan. Most of United States' aid is provided through its agency famous by name of USAID. According to reports by US-based Centre for Public Integrity, the agency allocated almost half of all its aid for five American contractors active in Afghanistan. These companies are lacking every factor of transparency, accuracy, organized work and accountability. Some of them are under fire for their committed fraud in their previous contracts within United States. United States government has awarded its contracts to KBR, the Louis Berger Group, Bearing Point, Dyncorp International and Chemonics which worth hundreds of millions of dollars. Most of the foreign consultants who are working in private companies in

Afghanistan cost a year starting from \$250000 to \$500000 which includes their allowances salaries and associated security expenses

There is a huge shortfall in providing the promised aid to Afghanistan. According to reports, nearly 90 percent of public expenditure comes from International funds. The shortfall thus questions the struggles for rebuilding damaged and war-torn Afghanistan and delivery of necessary services are badly hindered (US-based Centre for Public Integrity, 2009). According to reports by Oxfam's policy adviser and authors of reports, Mr. Matt Waldman, reconstruction in Afghanistan requires firm and sustained commitments for aid and donors do not meet their promises. They have failed to provide what they have committed to provide to Afghanistan. On the other hand, most of the aid which is provided is uncoordinated, wasted and thus fails so it is ineffective.

On one hand failing to provide what international community of donors brings a hurdle in reconstruction process and on the other hand less coordination, waste and fraud brings another hurdle to get required results from huge investments in Afghanistan. The cost of war in Afghanistan estimated to cross \$700 billion which was crossing to the cost of invasion of Iraq in 2011. According to Commission on Wartime Spending, the estimate shows that in 2011, \$60 billion of United States expenditure have been lost due to fraud and waste.

5.1 Mismanagement, Corruption and Waste

To quote the expenses and waste in Afghanistan, we should concentrate on following examples and countless other hidden expenses which are due to come in future

In fact due to less cooperation of United States army personnel in Afghanistan, even special investigator for United States spending in Afghanistan fails to visit some reported projects in Afghanistan

5.1.1 Italian Made G222 Aircraft Case

In 2012, United States Department of Defense purchased 20 military planes for transportation purposes for Afghanistan's Air Force worth \$486 million. These Italian made aircraft which are known as G222, is just like replica which falls apart. 16 of them are uselessly sat in Kabul airport. This is a huge waste of money (National Journal, 2014). Why would they buy \$486 million worth aircraft that do not fly?

This investigation started in 2013 when it was noticed that G222 planes are in runway in Kabul. Then it was found that these were contracted in 2008. According to report by Aljazeera America, these planes just flew 234 of 4500 required hours, were diagnosed as "death traps" by pilots as they didn't have required spare parts.

Now what could they do next? They were sold as scrap metal for 6 cents per pound. SIGAR's inspector general, Sopko is quoted to say, they are still trying to know who and why these were bought to International Business times. SIGAR till date has unveiled more than \$104 billion which has been wasted because of fraud and mismanagement, allocated by United States to aid Afghanistan and the case of these planes are least to be worried by office of Inspector General.

5 1 2 Missing \$300 Millions on Police Salaries

According to another recent report by SIGAR in year 2015, it has exposed that as big fraud of worth \$300 million has been spent on salaries for Afghanistan's Polices which is missing and there is no report to find where it has gone. Let's now judge what United States tells about corruption of government high ranking officers. There is no doubt government officials have learned corruption from their donor who is more corrupt. Apparently another contract was ended worth \$456000 for a training complex which does not exist actually (SIGAR audit report, 2015). Millions of dollars have been reportedly spent for Schools in Ghor province to quote as an example, but pupils are studying under shadows of trees and are in need of rugs to sit on and study while reports have been published by United States agency that schools are built and they have gained bunch of successes due to enrollments of girls in schools. This is an eye-opening fact which must be pursued.

5 1 3 Daily Expense of United States Military

According to Waldman in his 2008 report about United States army spending, it says, United States' military's daily expense reaches to \$100 million, in a single day, while in average total expenditure of all donors together since 2001 reaches just \$7 million a day which show a big difference. What are they after? Yet what have they achieved? Terrorism and Taliban are gaining forces and might day by day and challenges

to Afghanistan's forces and government is rising high. Young population is leaving the country and flooded towards west. What are they doing after all with their expenses?

5.1.4 Luxury Villas for TFBSO Unit

Another report by SIGAR unveils that Pentagon has spent \$150 million to rent luxury villas, meals and guards for its employees in Afghanistan. These expenses were authorized by United States' Defense Department for a small division of department of defense known as Task Force for Business and Stability Operations (TFBSO), which is responsible for stabilization of the economy of Afghanistan and Iraq. These expenses were noted between 2010 and 2014 which is 20 percent of TFBSO's budget, while report believes nothing have been achieved or the benefits the United States has received is unclear from these so much money being spent for luxury accommodation. It was also possible to live in US military bases which could save tens of millions of dollars, as report indicates. If not United States' military bases, it was also possible to accommodate them in United States' embassy which could cost only \$1.8 million as Inspector General's Office estimated.

5.1.5 Boats worth \$3 Million for a Landlocked Country

There is no doubt Afghanistan is a landlocked country. It does not have any access to international sea. To protect illegal crossings of boarders, National Boarder

Police should have been supported with possible equipments. Instead, United States has spent amount of \$3 million dollars to buy boats for Afghanistan. There is absolutely no sense in this. Eight patrol boats were ought to be given to Afghanistan Police which were never used. They were mainly due to deter smuggling and illegal entry in to Afghanistan and to transport supplies of government of Afghanistan, as they use the rational for it. Instead of shipping them to Afghanistan, boats were left unused in a warehouse in Virginia for more than four years, which costs \$3 million dollars. Upon asking the reason in series of inspections regarding the spending, military officials have been unable to give evidences and records which could justify and answer basic questions about purchase of \$3 million.

These boats were bought in 2010 by the Navy and after nine months it was decided to cancel it. But at that time 80% of funds regarding the contract were spent so it was left up to completion. There is lack of paperwork and proofs as indicated by John F. Sopko, Inspector General, which has been hindering the ability of entity SIGAR to conduct overseeing the reconstruction aid for Afghanistan. However this is not the first time which entity has faced such lapses with regards to record keeping.

But there is a serious problem with regards to boats. First the nearest port is about 1000 miles away in Karachi, Pakistan. Secondly, Afghanistan's National Security Forces hardly can maintain their basic equipments and can locate their spare parts, how they can or will manage to fix the broken boats.

5 1 6 \$43 Million for a Single Gas Filling Station

Another strange thing has happened in the north part of country by United States and the small unit TFBSO aiming to boost business in Afghanistan. This time Pentagon has spent \$43 million to build a single gas station which is estimated to be more than 140 times expensive than a station built in neighboring Pakistan.

Department of Defense was responsible for the construction and the Task Force for Stability and Business Operations carried out the step and since the unit is not now working, thus Pentagon has reason to believe it is not anymore responsible to give information regarding the details of the unit's activities in Afghanistan.

The station was aiming to support Afghanistan to cope with problems of importing petroleum and to use its domestic energy but since Afghanistan does not have any infrastructure for natural gas transmission, it is now useless. The cost to change gasoline cars to use natural gas is about \$700 per car and the average income per annum in the country is \$700 which is not easy to cover the cost. According to Sopko, he believed that there is no reason behind it and it is not clear why would TFBSO be convinced to take such huge amount of money spent on CNG station. He says, the lack of transparency and accountability is disgraceful and Department of Defense (MoD) needs to be clean hold people accountable for waste of tax-dollars to remain trustworthy.

As Sopko estimates, United States' taxpayers have spent more than \$103 since 2002 to rebuild Afghanistan which is more than United States spent over any single country. It is more than expenditure for post war United Kingdom, Japan and Germany.

Aiding Afghanistan was like bringing money and throwing it in to Afghanistan and thinking like we are in Kansas, says John F Sopko in an interview quoted by Star Tribune News

5.1.7 Soybean Initiative worth \$34 million with Failed Results

Despite there were no match between Afghanistan's north and cultivation of soybeans there, this program was started to convince people to grow the product and like it. This project was started in 2010 in northern Afghanistan by United States Department of Agriculture. There were two main issues as number one the crop was not fit to grow in the region and second people were not interested to grow or eat it. How the project started is something questionable despite two big reasons not to start the program.

This program was a total mistake and waste of money because it was predictable and practically foreseen so it could be avoided. Even SIGAR was convinced that the results would be better upon time but still there is no market for the product. Another example regarding agricultural products is about seeds and tree sapling distribution program. According to report of ProPublica which is an independent, non-profit newsroom who publishes investigative journalism in the public interest, it was advised from local government that this program could face failure due to corruption and theft but USAID agency went on to implement the program which resulted in waste of almost \$8 million.

5.1.8 Unused Communication Towers worth \$6.5 Million

According to figures of SIGAR, Department of State has spent \$6.5 million to stand telecommunication towers knowing the maintenance cost is more than ability of communication companies in Afghanistan. They implement their own idea to build the towers even several local officials from Afghanistan, from Department of State and Department of Defense officials warned them about its costs. The towers are now not used due to high cost of generators that use fuel.

5.1.9 Countering Narcotics While it still hits high in the Sky

United States has spent about \$7.6 billion on countering narcotics since 2001 in Afghanistan. According to official reports the cultivation has decreased by 50 percent in 2014 which seems a good progress but this progress is undermined when it's checked. The decrease is not due to counter-narcotics programs and expenditures of United States but it was because of environmental factors like droughts. According to the report of SIGAR, the only improvements in the production are due to Mother Nature, as Inspector General Sopko says in an interview with Star Tribune News.

Almost \$8 billion has been spent in this part. But what are the results? Let's be realistic. Afghanistan is the leader in production of heroin in the world. Their plans to find alternative products have only led to cultivate more poppies than before. Law enforcement trainings were insufficient despite \$109 million were used on education and substance abuse treatment programs.

According to UN Office on Drugs and Crime, Afghanistan income from heroin is significantly high. It makes up to \$3 billion a year which is 10 – 15 percent of country's GDP. It only deviates Afghanistan's financial system and brings hurdles to law enforcement and legitimacy of government while strengthening criminal networks and supports insurgent groups and particularly Taliban. Afghanistan is now growing more poppy than it was growing under Taliban regime. According to UN report in 2009 Taliban were earning \$75 million to \$100 million from poppy cultivation each year and in 2005 estimates show that they are now earning \$90 million to \$160 million each year.

According to another UN report, it believes that the focus on military victory has proven very insufficient to encourage poor farmers to grow legal crops and this was due to less focus on poverty reduction and food security. According to report by ProPublica in 2015, it has found that amount \$108 million has been spent on treatment and prevention programs of drug and all the gains are nothing. It's a total waste of money.

Department of States and Pentagon blamed Karzai's government for not providing enough support for these efforts. On the other hand Karzai in an interview with Tolonews blames foreigners and asks, "How these products are sold and where does the money go?"

5.1.10 Prison with Cotton Walls

There is another misuse of funds in Afghanistan. In northern Afghanistan a building for prison was built by United States which cost more than \$11 million through

USAID funding This was built to house for 500 prisoners which is already falling apart before it was used This was on a “seismic fault line” without any sort of pre-safeguard measures as reports indicate

5.1.11 Roads built with \$2 Billion

Afghanistan’s government and its people have been always thankful for the generous aid provided for Afghanistan’s reconstruction Worth \$2 billion of aid is spent on roads But these roads cost more than the capability of government of Afghanistan According to a UN report, 85% of these roads are not drivable When something is not sustained it ends up with a failure so does the roads These roads were built on United States weight standards and in Afghanistan they don’t set More over trucks here are often overweight so it adds to quicker cracking

5.1.12 Unused Military Base

According to SIGAR report, another huge funded project was build worth \$3.9 million was ought to be a base for Afghanistan National Army which was found to unused due to lack of dining facility

While another border Police headquarters was built with \$7.3 million in Kunduz province in northern Afghanistan for 175 personnel but it was found later upon inspection

that only 12 people are living there. This was also remaining unused since the completion of building.

Some \$19 million border police base was built in Nangarhar province which was recorded that it was used as chicken coop instead of housing police personnel, say office of Inspector General. These are few examples to quote from wasteful spending and fraud by United States' agency. The bad part is that these mismanagements are used to count the numbers in terms of millions and name it as aiding Afghanistan's security and its security forces.

USAID, Department of State and the Military all have keen to open ceremonies and shake hands as SIGAR says but they are not looking for the results after they cut the ribbons. For example Pentagon has built more than 1000 infrastructures for National Army and Police of Afghanistan but never had an insight whether they are used.

5.1.13 Unneeded Military Base

There is another waste of government of United States for spending \$36 million according to National Journal, an American analytical journal on a headquarter facilities at Camp Leatherneck where Afghanistan's military officials believe it's not really needed. It's reported that current plan is to close the base next year.

5.1.14 Afghanistan's Security Forces

It's unfortunate to say, Afghanistan's security forces cannot maintain its numbers and equipments and buildings. Recently it's true to say they cannot maintain their front lines, look at Kunduz and recent issue of Sangin district in Helmand province. To date, security forces are the most forwarded sector that have received \$65 billion which is almost 60% of whole reconstruction aid. It was planned to create a well schooled and strong national army and police and air force so that they will be able to secure their country by their own. But again corruption in Afghanistan has undermined the efforts. According to ProPublica report's in 2015 estimate having a strong and large in counts – 352,000 personnel - with modern equipments costs \$5 billion per year which cannot be maintained by Afghanistan in current situation. Afghanistan's 70% population is illiterate and percentage in new recruits is more than that as only 13% can barely write a basic sentence.

5.1.15 Hospital worth \$597929 in a Small Village

United States has spent amount estimated as equal to \$597929 for a hospital in Salang's small village in north Afghanistan which was paid to a local company. The terms of contract was not followed by the contractors which are lacking "serious safety concerns" and newborn babies are washed with untreated river water as SIGAR's inspection reports.

5.1.16 Governance Programs worth \$400 Million

The aim to start the program of Local Governance and Community Development was to stabilize communities for long term governmental, social and economical success. USAID provided funds to the program even though it was never able to gain the objectives and it could not keep the track of what contractors were doing there. Still USAID doubled the funds to the program which reached \$373 million (Propublica, 2015)

Mostly in the tracking their performance, they often show the figures and outputs not the results and outcomes. For example, USAID has trained 650 judges but there is nothing insight about it whether they are working in judicial sector.

5.1.17 Unfinished Courthouse worth \$396 Thousand

This was planned to be built for Afghanistan National Security trials which was abandoned due to low planning. As SIGAR's staffer responsible for the project inspection says, it is the grossest display of incompetence. The in charge person was not qualified and has said to SIGAR that he had no idea what he was doing.

A local contractor was hired to build the courthouse which was only six months in business and there were little documentations on how and why this contractor was chosen. With just little foundation of the building done, contractor disappeared with amount of \$400000 with him and the project was abandoned.

Such examples are result of poor planning and mismanagement which cause hundreds of millions of dollars to go in waste. There is no single responsible chain of

command for efforts of reconstruction USAID, Pentagon and Department of State run each their own programs without coordination which results in contradictory programs and fails overall reconstruction efforts

What United States needs is to observe international and national level of recommendations for the further aid being provide to Afghanistan in next decade To have better results from aid United States should consider needs and priorities of Afghanistan Local capacity should be recruited who understands Afghanistan and its needs far better than foreign employees United States should focus more on long term sustainable sectors Its efforts should reflect the real interests of United States The interest of United States is to bring a peaceful and prosperous Afghanistan that defends itself against terrorists Afghanistan that can play key role in fight against terrorism, a key ally of United States and a country which is no more safe heavens to terrorism

Conclusion

All being said, there is no doubt now that most of decisions were taken in Washington D C for the reconstruction efforts in Afghanistan The efforts were undermined by lack or no seriousness since most of the roads for example were falling apart before submitting them for use We can say that it was fault of local contractors that brand new roads were falling apart but real problem is that the guidelines provided by Americans were not matching with the situation

Most of times they do not talk to government of Afghanistan and they create a program or take steps for creating something and they leave it without any use They do not ask whether

government and people of Afghanistan really need these things or not. Priorities for Afghanistan and its people have been other areas than for United States. The aid approach of United States had and has proven totally wrong priorities.

As mentioned above, the aid provided by United States is not unified with other international donors. International community together with United States should build an integrated planning to have joint assessments and work together with government of Afghanistan where Afghanistan must be play leading role. Priorities of Afghanistan should be the key to get results from the efforts. As much as Afghanistan involvement would be agreed at same time there would be well guaranteed positive results.

The actions of international community should be in a system of coordination in Afghanistan. The further aid should be brought to Afghanistan through well coordination of major donors including in fact United States. Terrorism starts and ends in Afghanistan so United States should equip the Afghanistan National Army with full strength to make them able to defend their land and not to wait as always for aerial support from NATO and United States.

Donors should follow the principles of empowering the communities and democratization of planning through encouraging better sub-national level participation. They should also be accountable and provide information and reporting regarding projects which are handled off-budget in various areas of Afghanistan. Moreover they should by now at least understand that engaging in short-term investments and getting speedy results will not help Afghanistan. They should combine their efforts to build sustainable institutions and durable developments so that Afghanistan could stand on its feet. It is however not an easy task, theory is always different

from practical, but if their objective is to bring stability to war torn country they must repair and or rebuild the damaged institutions

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

Today after more than 14 years of international community's engagement and efforts Afghanistan is struggling to overcome the issues of multiple wars over past three decades. It is still facing insecurity, forced internal displacement and very limited access to humanitarian services. Although the country is a major recipient of humanitarian assistance but due to many issues like complexity of financing and controversies has made it difficult to reach its goals.

According to estimates in 2015, since attacks on United States on September 2001, United States has spent \$1 trillion including \$110 billion of its aid to rebuild Afghanistan which is reportedly with poor, violent and corrupt results. Conditions in Afghanistan are at no better position despite it has received billions of dollars. It is still in a vulnerable position and that's more dangerous since the security transition has occurred. As reports indicated above, the United States has been less accountable for what it has done in the name of aid to Afghanistan. It has spent its worthy dollars but there are no reasonable results. The actions speak louder than the

words and figures in this case to phrase it Little amount was allocated for reconstruction, for hospitals, for schools which are sectors where people of Afghanistan need them the most The school enrolment numbers has raised and there is no doubt, but it is only in few areas and places Most of schools are still running with old books and no building Badakhshan was a peaceful province until recent insurgencies of mid-2015 where pupils study school in shadows of trees and some parts where United States reports to aid education sector worth millions of dollars, they are not real and in reality no schools are there and certainly in some cases there are ghost-teachers

United States must seriously follow the recommendations to accelerate the positive effectiveness of her aid in Afghanistan A new network and system of coordination should be created which includes government of Afghanistan, its people and international donors to make sure the money flow to Afghanistan should focus on poverty reduction creating new employments, strengthening education system and health services This will allow local authorities in Afghanistan to make sure aid affects positively the ordinary citizens of the country Until now most of aid budget has been spent on security related expenses while there are no good results If there are no positive changes in economic and social conditions of people, safety and security will not be enough to bring stability and peace in the country There is no doubt security is of big importance but without economic, social and political stability there will not be capability to have sustainable security

From now on it should be focused on social and economic development, education, health, rural and urban development and agriculture Basic services should be a main concentration for the government of Afghanistan at provincial and district levels to gain

populations' support for the government and the gaps between the citizens and government of Afghanistan in some areas of the country which are constantly exploited by insurgent groups must be filled with accountability and respect for the basic rights and perquisites of people. The government of Afghanistan hugely bears responsibility and must take serious steps to fight corruption which is a cancer for the current political and economic arena in the country. Good governance principles must be observed to tackle the issues and bring effectiveness.

It is of extreme importance to involve people of Afghanistan in recreating and reviving their lives through reforms in economic, social and institutions sectors so that they find new opportunities.

United States of America must assure of its commitments to bring peace to the country and region. If International Community and United States fail to bring prosperity and change in lives of ordinary citizen in the country, it might allow setting up mindset for some that United States' war is actually against Muslims while some have this view and are joining insurgents.

There is no doubt that significant differences are achieved through aid but there are some weaknesses which are undermining the aid to reduce the poverty. United States as a major donor and government of Afghanistan as aid recipient must follow these recommendations to increase aid effectiveness. As Madam Gulalai Akbari deputy head of Senate Committee on Defense says, we should be thankful to all international donors and specially United States for its efforts and aid which was provided to Afghanistan. At the same time they should increase their aid and on the other hand both United States and the government of Afghanistan should be accountable and must fight corruption.

The amount of aid must be increased in sectors related to development and humanitarian aid to Afghanistan. United States and other donors must allocate more funds through in-budget for Afghanistan. Government of Afghanistan must strengthen its efforts to increase domestic revenue.

Distribution of aid should be provided to provinces based on an objective and comprehensive assessment and according to their needs in reconstruction, humanitarian and development sectors. There is no doubt that security is an important factor in all provinces, but it should be strictly considered to distribute resources on equal bases with increased level of support for those areas which are having greater needs in development and humanitarian sectors.

The primary objective of aid donors should be poverty reduction and programs should be started only after they are assessed with needs of citizens. Aid should be directed to those programs where the direct affects are on people who live in rural areas. Other donors and United States must address and align their priorities with Afghanistan National Development Strategy (ANDS) which focuses mainly on poverty reduction in the country.

Transparency and accountability is one of pivotal importance for both United States and Government of Afghanistan. As we discussed above United States was having big troubles with its programs, implementations and objectives. We discussed that there were issues regarding the assessment and long-term result based which brought millions of dollars lose and waste due to mismanagement in its agency and policies regarding prioritizing the sectors. Full information should be provided regarding aid flows of United States and other donors while ownership should be maximized by Afghanistan's government and aid provided must be increased in in-budget.

There are some specific recommendations for government of Afghanistan so that it should be able to gain trust of International Community and United States as a major donor. Government of Afghanistan must bring improvements in execution of budget and implementing capacities of ministers. It should bring wide reforms in public administration and especially in civil services. It should work to strengthen financial management system. The anti-corruption strategy must be implemented with serious steps and to enhance the transparency, monitoring and audit. The government of Afghanistan should bring reforms in governance and build institutional capacities at local level and should pave the way of participation of civil society and communities to design, implement, direct and monitor activities regarding development.

It's the time to reset all the procedures of pouring aid and taking a look in to what has been done to Afghanistan and in the name of Afghanistan. If these matters are not taken seriously in to consideration United States and International Community will have to lose all what they have done in Afghanistan which will result in loss.

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