

EU Presence and Action in Afghanistan

The latest conclusion of the EU Council on Afghanistan highlights the importance of "*enhanced coordination and the development of a coherent approach*". Inspired by this collective statement, this paper provides some insights of how the EU operates in the Afghan environment.

I Background

The cooperation with Afghanistan is based on a Country Strategy Paper (2007-13) and on a first Multiannual Indicative Programme (2007-2010). Every year, the Annual Action Programme presents sectoral actions/projects, in line with the MIP. A new multi-annual indicative programme is currently under discussion; it will cover the period 2011-2013.

This "contract" has been agreed with the Afghan government in a MoU. This "agenda" is aligned with the Afghan National Development Strategy

(ANDS). This "contribution" is coordinated with other partners (London Compact 2006).

► Afghanistan is not a priority

In the EU literature we can read that the EU is the 3rd donor (after US and Japan). This is misleading. We have to separate the EU as an institution and the 27EU as a group. This presentation focuses on the EU as an institution.

Since 2002 the EU has contributed more than €1.5b billion to Afghanistan. However, the EU is not the first European contributor to Afghan reconstruction. The average annual contribution of UK and GE equal or exceed the EU budget (2008: UK €214M, GE €232 /EU €214M). By 2010, GE would have allocated over €1.2b for civil reconstruction purposes.

The EU support has three components: humanitarian support,

reconstruction support and some other related actions.

- The humanitarian support is decreasing: Afghanistan is not - and has never been- a priority of the EU for humanitarian action. Since 2002, EU has given €282M. Afghanistan receives €33M in 2010 (from a €800M budget) and ranks 3rd after Sudan, Middle East and DR Congo.
- The support to Reconstruction is increasing: The EU mainly focuses

on building an effective Afghan administration. Along with the institutional development, the EU support to remunerations in the public sector (including security forces) is considered critical.

- Others related actions such as Elections (€35M) and EUPOL Mission (€64M) have dedicated budgets. The EU instruments include Development Cooperation Instrument (DCI), food security (€14M), Democracy and Human Rights (EIDHR), refugees (€17M).

Scope of the EU actions

3 focal areas	<ul style="list-style-type: none"> • rural development • governance • health 	Nearly half the EU support (47%) is oriented towards Governance, Rule of Law and Security. Rural development gets 20% of the budget.
3 non-focal areas	<ul style="list-style-type: none"> • social protection • mine action • regional cooperation 	

Remark: The EU budget is segmented into budget lines and allocations cannot be transferred from one programme to another.

II Challenges

▶ EU faces competition

The EU operates in a very competitive environment, crowded by international organizations, national agencies, and NGOs.

EU Council has sent a Special Representative in 2001 and the EU Commission has opened a Delegation (Embassy) in 2002. Recently, these two positions have been merged into one single competence. Amb. Vygaudas Ušackas (LT) is the new EU Special Representative and Head of the EU Delegation: As the Head of the EU Delegation represents both the Council and the Commission.

However, there is no permanent presence of EU in all the provincial capitals and no permanent EU liaison officers in Afghan government and agencies. Therefore, activities and contacts are concentrated in Kabul.

On the contrary, EUMS national Embassies have developed bilateral agendas. They are pro-active and more visible. Many of these embassies have decentralized

representations in Afghan provinces. Germany and UK agencies for Cooperation and Development have permanent offices with substantial staff. Each of these 2 countries has sent 4 times more experts in Afghanistan than the EU.

The result is a poor coordination, information retention, turf wars, and a "charity parade" between EU member states who pursue bilateral agendas with Kabul. The EU has been a strong supporter of better aid alignment, but national reluctances are stronger than community aspirations.

▶ EU keeps a low Profile

Security conditions and budget restriction do not allow a strong presence and an ambitious agenda.

The EU Mission EUPOL highlights this situation. Launched in 2007 for a period of 3 years (end June). Objective: train and advise Afghan police on Rule of Law standards. As other Security Sector Reform Missions (Iraq, Kosovo), EUPOL is implemented in the perspective of exporting the "European model".

The mandate reads in EU jargon that "*EUPOL Afghanistan shall significantly*

contribute to the establishment under Afghan ownership of sustainable and effective civilian policing arrangements, which will ensure appropriate interaction with the wider criminal justice system, in keeping with the policy advice and institution-building work of the Community, Member States and other international actors."

Some 455 personnel including local staff (1/3): only 289 experts to prepare the future of Afghan police. Only 92 personnel (70% locals) are dispatched in provinces. Activities are mainly education workshops and desk exercises with Afghan senior police officers. There is very little field activities, very little interactions with Afghan civil society and very little contact with Afghan population.

In contrast, NATO ISAF assists the ANP, primarily at the tactical level, with military support and permanent presence in the field. The objective is to prepare 82.000 police officers. Progresses are rightly praised and achievements are visible (hand-over of the control of the Kabul Airport to Afghan Police in March). EUPOL certainly performs a good job with limited resources but results are

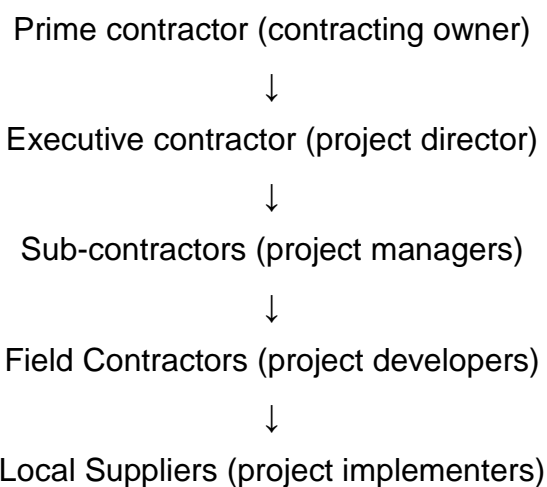
deferred in time. This mission complements ISAF's action.

▶ **EU has a poor management**

In Afghanistan, the EU system of support to development is particularly complex to understand and to track (as opposed to ACP countries which benefit from clear rules).

- The implementation of projects is complex.

In Afghanistan, the EU works with 46 official implementing partners and hundreds of non recorded managing partners. For any project, there is an average of 4 different levels of contractors (the system can be break down into to 8 layers of operators).



- The evaluation of projects is approximate.

The EU doesn't have the capacity to perform upstream and downstream evaluation. EU officials work from Kabul or Brussels and the evaluation is outsourced to partnering private organizations. Here, reliability is a problem. Firstly, many of these private organizations have proven serious, some are not. Secondly, all along the implementation process, planned activities, expected results and indicators can evolve and therefore, change significantly the characteristics and the objectives of the project.

This situation is uncomfortable for the Afghans. Since the operational "chain of command" is very complex, reporting is very difficult. Suggestions, requests or claims from Afghan local officials are diluted all along the process and the EU turns a blind eye on field difficulties.

III Progress

The discussions around the Blue Book released by the EU Commission in 2009 were a first step to improve the coordination of EU presence and EU action. However, this document was disappointing. It is in fact a catalogue

of "who is doing what" without any guidance on "how to do". The EU can certainly do more and certainly better to achieve its objective of becoming a "prime contributor" in Afghanistan.

Below are three suggestions to position EU as a reference partner in the international community of donors.

▶ **Fist suggestion: Pledge and Deliver**

- The money pledged should be the money delivered.

From the \$25b pledged in 2001 by the international community, only \$15b have effectively been delivered so far. In the 2007-2010, period, EU has delivered about 2/3 of the Action Plan budget (85% in 2008).

money pledged → money engaged →
money committed → money delivered

- Second guess should be put aside.

The EU usually put forward reasons for budget retention:

- Limited absorption capacity;
- Lack of government expertise;

- Poor accountability of authorities;
- Endemic corruption.

Therefore, it is important to reduce the problem of budget retention, end the discrepancies and raise the disbursement rate to a minimum 80%.

▶ **Second suggestion:
Improve Effectiveness**

- Reduce administrative spending

According to Ramazan Bashardat (MP and former Planning Minister) 90% of EU aid is reportedly spent to logistics, security and administration. In addition, EU officers and European consultants have attractive salaries (€180 000-370 000) when

- The average wage of an Afghan teacher is €60/month;
- The annual budget of agriculture Department in the province of Badaskshan (north) is €30 000.

Challenged by these shortcoming, the Afghan administration points to mismanagement and voices a legitimate frustration.

- Reduce the hold of contractors

Contractors are siphoning out EU budgets and efforts. Current estimations highlight that 40% of aid and development budgets return to donators through corporate profits and consultants costs.

Here again, mismanagement should be seriously tackled. Foreign contractors overprice projects and escape quality control to increase benefit margin. The road to Kabul Airport was built with a skyrocketing cost of \$2 million/km which is 4 times the Afghan average for similar projects. This road has been a work in progress since its opening.

- Improve Afghan benefits

Considering the management system mentioned before, the EU has no visibility on the implementation process. While there is a gap of information and no reporting procedures, EU officials wrongly rely on "market logics" and "local practices" to achieve projects in time and on cost.

Local Afghan suppliers benefit very little from EU contracts. In addition, they are sidestepped by Afghan businessmen (most of the time based abroad) who work with Pakistani

suppliers. Currently, less than 5000 local companies are involved in supplies.

EU conducts overpriced projects with time effectiveness but little return to Afghan enterprises. This doesn't contribute to the Afghan entrepreneurship and to local economy.

▶ **Third suggestions:
Develop Afghan Ownership**

- In budget management

Since 2001, over 50% of the EU combined funding for Afghanistan has been channelled through the international public finance management system (mainly World Bank and the European Bank for Reconstruction).

The EU claims that about 50% of its contribution goes through government-managed trust funds and programmes. However, there has been no serious investigation to confirm or refute this assertion. It is estimated that 2/3 of all development expenditures in Afghanistan bypass the Afghan government system.

European national donors have a better understanding of the legitimate aspiration of the Afghans. UK delivers 80% of the pledged budget and channels 80% of its aid through government channel. Norway channels up to 90% of its bilateral aid.

- In Project Management

The EU should seriously consider a chart of "best practices" to improve the involvement of Afghan officials at all level of project management:

- Afghan central authorities should contribute to project definition (relevance, impact);
- Afghan local authorities should be consulted during the project development;
- Afghan population should be informed all along this process ("population-centric").

Afghan regularly report on the waste of building schools without teacher, no public transportation, no maintenance, and no education material. 1/3 of new schools are reported not operational during the first year after opening.

The EU should also propose a certification label to contractors (on a

voluntary base). The objective would be to ensure

- first that a significant part of every contract is attributed to Afghan sub-contractors;
- second, that Afghan suppliers benefit from a “local preference”.

An effort of the EU to conduct a "population-centric" approach can bring immediate benefices:

- First, avoid "pet projects" pushed by national agencies of EUMS;
- Second, address the core priorities of the Afghan government;
- Third, stop the short term "cut and run"¹ approach to reconstruction.

Conclusion

Since 2001, the EU has been engaged in the collective effort to support the reconstruction of Afghanistan. Its presence and action would certainly deserve more interest from the media and a better promotion in the 27

¹ "Cut" is for cutting ribbons and have nice photo ops. "Run" is for the high turnover of European teams who spend an average of 3 months in a row in Afghanistan before leaving.

capitals of the EU. The results of this EU commitment are not visible at first glance but they are effective and acknowledged by the Afghan government.

Afghanistan is a milestone in the international agenda of the EU. Afghanistan is also a test case for its capacity to become a global actor.

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(Based on a presentation for the American University in Paris)

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