

# **Why did the US-Led Afghanistan Reconstruction fail?**

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**Submitted to the Central European University  
Department of Economics and Business**

**In partial fulfilment of the requirements for the degree of Master of Arts in Economic  
Policy in Global Markets**

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Vienna, Austria  
2022

## Abstract

In 2001, the United States launched Operation Enduring Freedom in Afghanistan and toppled the Taliban regime. A new substitute government was established and later a new constitution was approved too. A joint effort by the United States and its allies along with the Republic Islamic of Afghanistan for recovery and development started as the process of Afghanistan reconstruction. Since then, the people of Afghanistan, the United States, and its allies incurred huge costs from spending billions of dollars to losing thousands of lives in the process of struggling to stabilize and recover the country. However, after 20 years, all costs and endeavors suddenly faded when the Government of the Republic of Afghanistan collapsed in August 2021 and the Taliban returned to power. Using resources from different parties involved in the process, this study attempts to explore major policy flaws and weaknesses that led to the failure of the process. Our findings suggest that several factors—high off-budget spending, misalignment, lack of consensus on the modality of projects, biased distribution of funds, shortfalls in fund commitments, and fragmented projects—led to the failure of the process and gave space to the Taliban to revive.

## Acknowledgements

*I would like to thank my supervisor, Professor Julius Horvath for providing insightful guidance and feedback throughout this project. His generous guidance and encouragements were motivating for completing this project.*

*Also, I would like to thank all the team at the department of economics and business for being supporting through this educational journey.*

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# Chapter 1

## 1.1 Introduction

From 1979 to 2001, Afghanistan experienced three major upheavals<sup>1</sup> that made it hard for policymakers and officials to follow a consistent strategy for economic development. In 1979, with the invasion of the Soviet Union, the establishment of a centralized economy was insisted till 1989 when there was major defiance against the communist government. Upon withdrawal of the Soviet Union in 1989, for the next five years till 1992, the country went into a bloody civil war. till 1996 when the Taliban took over the country. Although during the Taliban's reign civil war ended the country went into complete isolation from the rest of the world. For this period no reliable data is available on livelihood. With the fall of the Taliban in 2001, a huge flow of economic and military aid along with thousands of military personnel and equipment entered Afghanistan. Considering the number of aids and the number of countries and international aid agencies involved, it was one of the biggest, if not the biggest, foreign interventions in providing development aid and reconstruction assistance to a war-torn country in history. All parties including the people of Afghanistan, aid providers, and the international community were quite optimistic. It was expected that development aid will eradicate poverty, economic indicators, and living standards would improve soon.

However, things didn't progress as expected. Despite the initial increase in growth rate, it remained stagnant almost over the period of 20 years. Unemployment remained high, poverty

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<sup>1</sup> William Byrd, et al. Afghanistan in Transition. 75948. Washington: World Bank, 2014, p. 44, 45.  
<http://dx.doi.org/10.1596/978-0-8213-9861-6>

persisted, and infrastructures improved poorly. Although a large proportion of grants flowed in Afghanistan from 2001 to 2021 have been military grants, still, the development and economic grants account for one of the biggest grants in history. Afghanistan's reconstruction project not only didn't succeed but also the Taliban armed group, which was ousted in 2001, started to rebound year by year. In 2018, the United States after 17 years of fighting with the Taliban, started direct peace talks with them. These talks circumvented the government of Afghanistan which severely weakened its position. Taliban committed to the United States to stop their attacks on US forces and in exchange, they will withdraw in 2021. Taliban's fight against Afghanistan National Defense and Security Forces (ANDSF) intensified and took pace in April 2021. In August, when the US forces were leaving, they took over the presidential palace in Kabul after former president Ashraf Ghani left the country. After 20 years of fight and blood, once again people of Afghanistan found themselves ruled by the Taliban. From a policy perspective, this was a disaster both for Afghanistan policymakers and politicians and their international donors who funded and ran the development and reconstruction projects over the two decades. This study tries to investigate major policy flaws and defects that led to this exorbitant failure. Our findings suggest that a set of factors led to the ineffectiveness of the process, failure to practice effective state-building, and economic recovery. These factors include but are not limited to a fragmented reconstruction approach by donor countries and the United States as the leader that provided a chaotic situation where funds could be misused, wasted, and spent too ineffective. The government of Afghanistan which must have been strengthened to resist the insurgencies and provide public services persistently overlooked and bypassed largely by spending a high amount of funds out of the government budget. In addition to these factors, while insecure areas where insurgents were active, were flooded with money, consultants, and military forces, people who lived in stable areas remained deprived of the process. The funds and reconstruction projects that could yield much better results due to stability, low cost, and

people's willingness to improve the situation, were spent in insecure areas in very corruptive ways that led to wastage, misuse, and even further escalation of conflict.

Also, we will explore the probability of whether these failures contributed to the return of the Taliban. This study consists of four chapters. Following this section, a statement of the problem, research questions, and research hypothesis will be presented. In chapter two, relevant literature is reviewed and then the research methodology and data sources are explained. In chapter three, the main causes of the unsuccessful mission are explored based on the hypothesis in light of the reviewed literature. In chapter four, we will conclude our discussion and specific policy recommendations will be provided.

## **1.2 Statement of the Problem**

With the fall of the Taliban in 2001, an unprecedented opportunity for growth and development have had emerged. In its modern history, Afghanistan hasn't experienced an opportunity in which to see widespread public optimism for the future. Millions of girls were released from home imprisonment and attended schools. Women after five years of being locked at home under the strict and extremist regime of the Taliban had the right to study, start a business, go out shopping, and get employed in public and private companies. In addition, despite coming out of tribal and ethnic disputes, following the Bon conference, ethnic concerns decreased significantly, leaving a unique opportunity for nation-state building. Hence, a unique opportunity that doesn't emerge always, has been achieved for collective work and cooperation.

On the donor countries' side, taxpayers and civil societies had some good reasons for the cost of war, development, and reconstruction in Afghanistan they were to incur. Despite the billions of dollars spent, and despite improvements in some areas, the achievements seemed far less than what initially was expected. The relatively secure environment for the first three years from 2001

to 2003 started deteriorating in 2004 when highways, cities, and even rural areas became insecure, pulling up military and civilian casualties. Hopes gradually transformed into suspicions toward donors, the government, and international forces that undermined the authenticity and effectiveness of their works in people's perception. Instead of improvement, the situation got deteriorated year by year to a level where deadly car bombs and suicide attacks were taking hundreds of lives daily. Poverty furthermore became prevalent, unemployment increased, and the growth rate remained slow resulting in a stagnant economy. Ultimately, the fragile state collapsed, sliding back to where it was twenty-six years before when the Taliban captured it in 1996.

The failure was disastrous, both in terms of human cost, financial, and opportunity cost. From 2001-2021, a total of 66,000 Afghan security personnel including army, police, and border forces killed. 48,000 Afghan civilians were killed and another 75,000 were injured. In the same period, 2,443 American and 1,144 allied forces were killed, and another 20,666 American forces were wounded. In this process, the US government incurred a total cost of 140 million USD in funding aid, let alone the trillion-dollar military cost.<sup>2</sup> This failure raised serious questions for the people of Afghanistan, the people of the United States and its allies as well as policymakers on the reconstruction and state-building process. Investigating the possible cause/s of the failure is therefore of significant importance to the government of Afghanistan and its policymakers.

### **1.3 Research Objectives**

This research attempts to investigate major factors that have been involved in the process of reconstruction and state-building in Afghanistan during 2001-2021. While in the big picture, there might be a few prominent reasons that have influenced the effectiveness of the efforts, each of them is rooted in multiple sub-reasons. We first try to find out what has been done or

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<sup>2</sup> John F. Sopko, What We Need to Learn? Virginia: SIGAR, 2021, 17.



has not been done at a high level and then try to trace it further to its fundamental reasons. In the final chapter, alternative policies or the same policies with different modalities that could be more effective as well as specific policy recommendations are provided.

## **1.4 Research Questions**

- Why did the US-Led reconstruction of Afghanistan fail?
  - Did this failure contribute to the return of the Taliban?

## **1.5 Hypothesis**

A set of factors including but not limited to overlooking the government of Afghanistan by donor countries through high external budget spending, contradicting stabilizing policies such as the use of money as a weapon, overlooking local context and priorities, overestimating prior gains, and a biased assistance distribution, caused the process to be ineffective and eventually fail.

## **1.6 Significance of the Study**

Some research on the reconstruction of Afghanistan by the United States existed but most of them either focused on one or few aspects of the process, overlooking the numerous factors that have been involved interactively, most of them with reciprocal effects. Furthermore, most of the research is either carried out by the government of Afghanistan's organizations or by the donor countries and implementing agencies. In the 20-year process of the reconstruction and aid provision, due to numerous actors that have been involved, a competition has been evolved between different agencies and actors to show their work successful. Therefore, sometimes, the probability of the results gained on the field being inflated, can't be ruled out. This study also attempts to find out the discrepancies in the reports from different bodies.

## Chapter 2

### 2.1 Literature review

Literature on the case of Afghanistan is somewhat limited. These might have been due to the conflicts and security incidences that made data collection and surveys difficult and costly. Over 20 years, a population census hasn't been carried out and most demographic analyses have been based on the census in 1979,<sup>3</sup> the last year of the Soviet Union's presence, or based on data collected through scattered different surveys. Despite this, Afghanistan as one of the largest cases of military intervention combined with development funds has been the concern of researchers.

Nematulla Bizan in his book the “Aid Paradox” argues that the flow of funds into a developing country in the forms of grants or development aid either for purpose of human and social development or building physical infrastructures moves recipient states towards a rentier state similar to the states who fund their expenditure from oil or other natural resources rather than tax revenue. Aid flow is similar to oil revenue but different in a few ways that lack of making this distinction and failure to address it results in the development of states unstable and malfunctioning states than the oil rentier states. Similarities are that aid recipient states complement their budget deficit from aid sources and this reduces the government's accountability and transparency which leads to the weakening of the very mechanism of democracy—that is, the bilateral relationship of state-citizen on which the prior is obliged to

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<sup>3</sup> Afghanistan's Last Census Year, World Economics, 2022, <https://www.worldeconomics.com/Demographics/Census-Year/Afghanistan.aspx> (Accessed Oct 4, 2022)

service-provision and the later to tax, transforms to donor-recipient that undermines the government accountability toward citizens. Though this is not the only possible effect, in aid-recipient countries significant part of aid goes to non-government organizations and thus distorts their accountability towards donors too. However, the more important difference is the unsustainability of aid than oil. If not taken into account seriously, while rentier states survive, aid recipient states might suddenly get depleted of revenue<sup>4</sup> as did the government of Afghanistan.

Ghani and Lockhart (2008) criticize the traditional way of aid provision and state building that has failed in nearly 50 countries while still donors insist on committing past mistakes in later cases in Afghanistan and Iraq. The main argument of the book is a critical analysis of efforts on state building in developing post-conflict countries in which donors overlook national ownership of the process both in terms of political arrangements as well as economic and social development programs. It attempts to argue that the poor performance of the post-conflict countries is due to the failure of states and state building by foreign interventions doesn't succeed unless ownership of the process by national stakeholders is fulfilled. However, in the case of Afghanistan, national ownership of the process in political and economic aspects is highly underestimated. The political process must be inclusive of all stakeholders and economic interventions mustn't bypass the national state.

Dobbins, et al (2003) provide a comparative analysis of the United States military and reconstruction involvement from post-war Germany and Japan to African countries, Iraq and Afghanistan. Though this study has been done at the beginning of the reconstruction process of Afghanistan but provides plausible comparisons that back up our main analysis in this study.

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<sup>4</sup> Nematullah Bizan, *Aid Paradoxes in Afghanistan* (London: Routledge, 2017)

Similar to Ghani and Lockart (2008) and Bizan (2017), They also argued that national ownership of the state-building process and the modality of intervention is crucial to its success, but the uniformity of the supply side is also influential on the success of the process. The more management of the process is fragmented, the less success in the outcome. Gisselquist (2014) also provides a comparative study of aid-supported fragile states and acknowledges the potential of foreign assistance for institution building but also points out the limitations of foreign assistance, though not only in terms of numbers and dollars but more in terms of legitimacy and the domestic institutions' decisive role.<sup>5</sup>

Fayez (2012) also studied the role of foreign aid in Afghanistan's reconstruction which argues that aid in Afghanistan has been too normative and supply-driven rather being demand-driven. This also questions the mixture of military and civilian aid together which argues that the prior affects negatively the latter in the conflict-affected context which often quick results are demanded to prove performance.<sup>6</sup>

## **2.2 Data and Research Methodology**

For this research, secondary data from various sources available on national and international organizations were obtained to support our analysis. Secondary data are either directly used or replicated to meet the purpose of the study. Research is carried through reviewing existing literature including articles, reports, policies, briefings, media, and conference speeches of officials involved in the process from three categories; donor partners including published official documents of donor countries and other donor agencies, reports and studies released by

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<sup>5</sup> RACHeL M. GISSeLquIST, "Aid and institution building in fragile states," *American Academy of Political and Social Science*, 656: 6, (2014)

<sup>6</sup> Fayez, Hikmatullah. "The Role of Foreign Aid in Afghanistan's Reconstruction: A Critical Assessment." *Economic and Political Weekly* 47, no. 39 (2012): 65–70.  
<http://www.jstor.org/stable/41720193>.

recipient government and implementing agencies and third-party independent researchers and civil society. Conclusions and inferences supporting our thesis have been made by comparing and contrasting the sources from three parties to obtain discrepancies.

## **2.3 Scope of the study**

The study attempts to explore various aspects of the reconstruction process, finding major flaws that in interaction with other factors led to unsatisfactory outcomes. It doesn't delve into one aspect of the issue but identifies various factors that their effect converged into failure at the end of the process. The study is devoted to the analysis of a set of decisions, policies, and actions that contributed to the ineffectiveness of the reconstruction process. It doesn't mean that no achievements have been met but exploring the successful part is out of the scope of this study. Also, political factors might have been as strongly effective in the outcome as the aid and reconstruction projects, but this study focuses on the economic aspect of the subject and touches up on political aspects to a lesser extent.

## **2.4 Limitations**

The main challenge was data scarcity. Though it was a major constraint for thorough evidence-based research before 2021 as well, since the return of the Taliban, data has become furthermore scarce. Many research agencies' activities halted since last year and even the website of some of these agencies are down, making some data unavailable. The Taliban also dissolved or paused the activity of some government bodies. For instance, some databases on the National Statistics and Information Agency (NSIA) which were available before are missing since last year. The other limitation is, that though the study tried to rely on data from independent researchers and agencies still references to reports on the data from involved parties are prevalent.

## Chapter 3

### 3.1 Background

Although the initial mission of Operation Enduring Freedom in 2001 was to topple the Taliban regime which allegedly provided safe sanctuary for Al-Qaeda fighters including their leader Osama Bin Laden in Afghanistan, the US and international forces also had to provide a conducive environment for establishing a substitute government and supporting it to prevent the return of the Taliban. Preventing the country from being used by terrorist groups as a sanctuary was only possible by having a relatively strong and functioning government. However, upon the ousting of the Taliban in 2001, Afghanistan was an isolated and devastated country with no public services provision. The destruction of public services and infrastructure started in 1979 with the invasion of the Soviet Union. Although the communist government in Kabul with the support of the Soviet forces developed civil services and infrastructures to some extent, due to the conflict between Mujahedeen backed by the US and Pakistan and Soviet forces, some infrastructures were damaged, and reconstruction and economic development remained stagnant.

Following the departure of the Soviet Union in 1989, for three consecutive years country went into further destructive civil war. The minimum remaining infrastructure and public services have been destroyed. Upon the end of the civil war in 1992, the Mujahedeen government neither had the capacity nor the budget to initiate a rapid vast reconstruction and development projects. That dire situation worsened when the Taliban took over the country in 1996 and ruled for five years during which they banned women from work and public places and shut down the few schools for girls which were operating at the time. They didn't only dismantle the education process but also led the country to a far deeper economic crisis. Therefore, upon the fall of the Taliban in 2001, a six-month interim government was established which was then followed by

the Transitional Government. This government had nothing other than a name and thus needed to be supported in terms of budget and policymaking. Following the Bonn conference in 2001 in which a political system was outlined and agreed upon based on power sharing between major ethnicities, the Tokyo Conference on Afghanistan held in January 2002 was the first donor gathering that pledged \$ 4.5 billion for Afghanistan reconstruction.<sup>7</sup> In April 2002, George W. Bush spoke on the reconstruction of Afghanistan in his speech at Virginia Military Institute. “By helping to build an Afghanistan that is free from this evil and is a better place in which to live, we are working in the best traditions of George Marshall,” he referred to Marshall Plan implying that the US will follow a reconstruction mission in Afghanistan as Marshall Plan in the post-war II in Europe.<sup>8</sup>

However, Afghanistan’s reconstruction differed significantly from the Marshall Plan from many perspectives. One of the distinctive differences was the high off-budget spending by donors and the US as the largest aid provider. The comparative analysis of Afghanistan reconstruction and the Marshall plan will be discussed in more detail in a separate section, however, Bush’s reference to following a path as the Marshall Plan in Afghanistan indicates the start of the US’s commitment to Afghanistan reconstruction and aid provision for the country which initially assumed to be just a military operation for toppling down terrorist groups. The US congress allocated around \$ 38 billion for Afghanistan reconstruction from 2001 to 2009, including its military forces’ expenditure on the mission in Afghanistan.<sup>9</sup> The aid had to provide the government of Afghanistan with technical, financial, and security assistance, helping to provide necessary public services. In big categorization, funds were spent through two main channels—

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7 Roya Rahmani, “Donors, beneficiaries, or NGOs: whose needs come first? A dilemma in Afghanistan,” *Development in Practice*, 22:3, 295-304, DOI: 10.1080/09614524.2012.664622, p. 5

8 The US War in Afghanistan, Council on Foreign Relations, 2021. <https://www.cfr.org/timeline/us-war-afghanistan>

9 Ibid.

direct spending by donors <sup>10</sup> and the funds that were contributing to the core budget of the Government of Afghanistan.

### 3.2 High Off-Budget Spending

One of the main critiques on the reconstruction strategy in Afghanistan was the high direct spending by donors, especially the USIAD and UNDP. According to statistics, most of the aid was directed off-budget while the amounts that have been channeled through the government budget were a relatively small fraction of the overall aid funds. For instance, in 2010/11, nearly 90 percent of aid (US \$ 13.5 billion) was delivered directly by donors out of the government budget, and only 12 percent (US 1.9 billion) was directed through the core budget.<sup>11</sup> Roughly two-thirds of the external budget is spent on security and military expenditures and a significant portion of aid in the core budget was also allocated for security expenditures leaving minimum space for spending on social and economic development, healthcare system, and infrastructure development.

In the initial years of intervention, a high external budget seemed reasonable due to limited government capacity as well as the urgent need for humanitarian due to the dire economic situation, severe poverty, lack of access to health services, and provision of basic needs such as shelter and clean drinking water. The interim government and then the Transitional Government could hardly reach Kabul city and its peripheries. The Government of Afghanistan was hoping that after a few years, the need for immediate humanitarian aid will decrease and upon the improvement of the government's capacity during these years, the external aid budget will gradually decrease, shifting to the core budget. However, this never happened. Despite

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<sup>10</sup> Direct spending by donors in policy documents and reports is referred to the aid that has been spent by donors without interference of Government of Afghanistan. It doesn't necessarily mean that the executer of projects on the ground have donors since most of projects have been contracted to several other sub-NGOs.

<sup>11</sup> Byrd, et al. Afghanistan in Transition, 22.



significant improvements in the government's capacity, though not as was expected, in some years the amount of aid disbursed to the government to spend through its core budget was just a small fraction of the total aid budget spent directly by donors and thousands of domestic and international NGOs contracting with the donors.

The high direct spending of donors outside of the government budget had several policy implications for the Government of Afghanistan, the overall reconstruction process, and even for the donor partners themselves. First, the Government of Afghanistan knew that aid isn't sustainable and donor partners were better aware that they won't be able to provide aid for a long period nor did it seem logical. Thus, the primary efforts of donor partners, especially the US as the main aid provider, must have been concentrated on helping the Government of Afghanistan to move towards self-reliance. Apart from insurgencies and opposing armed groups fighting against government forces who were making some routes and rural areas insecure<sup>12</sup> to implement development projects easily and effectively<sup>13</sup>, the main issue for the Government of Afghanistan in the absence of foreign aid was budget creation. For the Government of Afghanistan, budget creation in a shorter term without foreign aid was almost impossible since an effective tax system hasn't been established. Thus, foreign aid was the only immediate financial resource that government could use to practice budget creation and implementation. Although half of the government's budget, with some variations, was funded by foreign aid, the government never served as the sole national authority providing public services nationwide due to its limited budget and technical capacity.

Comparing the external budget spent directly by donors and their partner NGOs without government intervention and their involvement in services provision reconstruction projects with that of the Government of Afghanistan, over the course of 20 years of aid flows, especially

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<sup>12</sup> Though this issue wasn't prevalent in all regions and provinces. Several provinces which we will discuss in the next sections weren't only peaceful but local communities supported the Government of Afghanistan by complying with all rules and regulations imposed.

from 2001 to 2014, the period with highest aid budget, Government of Afghanistan and the donor partners served as two parallel governments, the later rich in financial and technical resources while the prior always suffered from financial deficit and technical capacity. Channeling all aid funds or at least, most of it through the core budget could be effective at least for two main reasons. First, the Government of Afghanistan had enough budget, and implementing it could be a practical approach to building its capacity with the help of foreign advisors. Second, the government faced many challenges in creating its domestic revenue via tax which in turn had multi-dimensional numerous reasons. A government that claims to be democratic, has to provide services for the public whom it asks to pay tax. Since the Government of Afghanistan had limited coverage in providing services, constrained mainly to big cities and urban areas, it had little authority on demanding tax. People would argue in exchange for which services they have to pay a proportion of their earnings to the government which is absent in their communities. On the other hand, the government neither had the financial resources nor the technical capacity for public service provision to demand a tax in return. The aid budget was the only existing option that could be granted to the government with strict monitoring and evaluation, so the government could expand its public service coverage and in turn demand tax. For fifteen years—the period with the highest aid flow—had the aid budget been spent effectively with strict overseeing by donors, the government could have built a government-citizen relationship that has been based on service provision and tax collection. This practice could have at least three advantages that potentially would support the government to survive in the absence of foreign aid. 1) Trust between citizens and government could be built to some level in which citizens would be willing to comply with tax regulations when they could see the presence of government services in their daily life; 2) government had the opportunity to practice improving the tax system and keep revising it until reaching to a level to have a clearer projection on a maximum level that domestic revenue can be generated, and this would provide a conducive base on preparing for the post-foreign aid era; and (3) since the

government had the authority on the allocation of the funds it was receiving, then it could gradually fund temporary and short-term projects via the foreign funds and the long-term programs via domestic sources so upon withdrawal of donors, though a shock of financial deficit was inevitable, at least could avoid a disastrous one.

Furthermore, the vast direct spending of donors and bypassing the Government of Afghanistan was contradicting the overall goal of the intervention—establishing a democratic, self-reliant government to protect the country from being used as a sanctuary for terrorists again. First, a significant proportion of the core budget was funded by donors, not through tax, and the remaining was earned through border customs. Second, a vast number of projects have been funded and implemented by donors without minimum involvement from the Government of Afghanistan. These two reasons would question the process of democratic decision-making since, in a system in which government relies on tax revenue has to be accountable to taxpayers, and this creates a bilateral relation between citizens and the government in which the prior is obliged to pay tax and the later would be accountable for the tax through which it funds its expenditure. However, in the case of high off-budget spending by donors, as in Afghanistan, government moves in a spectrum towards being less accountable to its citizen since it sees no obligation and gradually transform into a dependent government that perceives itself as accountable only to donors who fund them.<sup>14</sup> This not only negatively affects democratic decision-making and the government's accountability to citizens but even alienates them because very less interaction exists in such a situation.

The high spending of donors out of the government budget always has been a concern of the Government of Afghanistan. Afghanistan National Development Strategy (ANDS) prepared and

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<sup>14</sup> Nematullah Bizan, *Aid Paradoxes in Afghanistan* (London: Routledge, 2017), 5.

published by the Ministry of Finance (MoF) and updated every five years was the main development strategy document that outlined all development priorities, short-and long-term Government of Afghanistan, and benchmarks emphasized the greater ownership of development management by the Government of Afghanistan. The ANDS requests donors not only to align their funding according to the Government of Afghanistan, specifically through the Ministry of Finance but also emphasized channeling more funds through the core budget as it argues that the increase in funding through the core budget is an essential approach for improving government's financial management system. It asks donors to channel at least 75 percent of aid through the core budget<sup>15</sup> while in practice this was vice-versa, depending on the fluctuation in the amount of aid in each period, roughly 80 percent of the aid budget has been spent out of the core budget.<sup>16</sup> "During the past four years, the government was only receiving 22 percent of world aid, and the remaining 78 percent was disbursed through NGOs..." said Finance Ministry spokesman Aziz Shams in 2006.<sup>17</sup>

Ashraf Ghani, President of Afghanistan (2014-2021) and then Minister of Finance, in his book co-authored with Lockart, argues that direct intervention by donor countries and donor agencies hasn't worked so far and won't work in Afghanistan too due to several reasons. First, he argues that each developing country has its unique condition that a one-model approach even successful in one country, won't necessarily succeed in another one. Also, economic elements change rapidly, especially technological factors that make economies too dynamic that an intervention model designed decades ago, for a different context, with different cultures, backgrounds, domestic natural resources, governments with varying operating capacities, and human resources with better skills, won't succeed in Afghanistan too.<sup>18</sup>

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<sup>15</sup> Islamic Republic of Afghanistan, Afghanistan National Development Strategy (ANDS), 2008, 157.

<sup>16</sup> Byrd, et al. Afghanistan in Transition, 22.

<sup>17</sup> Rahmani, Donors, beneficiaries, or NGOs, 5

<sup>18</sup> Ashraf Ghani, Clare Lockart, "*Fixing Failed States*," (New York: Oxford, 2008).

Reconstruction intervention requires a deep understanding of local communities' culture, needs, and priorities. Aid spending directly by donors won't be effective since donors aren't capable of interacting with local communities due to language barriers and cultural gaps at a level to identify their needs and preferences which are necessary for the design and implementation of development projects. Thus, the better approach would be to fund the government, provide consultation and then follow its fund management against pre-set Government of Afghanistan and benchmarks, monitor and evaluate all funds and expect the government with accurate accountability.<sup>19</sup> In case of non-compliance, pressure the respective organization by cutting further funds. However, as will be discussed in more detail, one of the main causes of failure, and wastage of billions of dollars over 20 years was the poor monitoring and evaluation by fund providers. Even in cases where fund spending either by the government or NGOs was questionable and proper records on the modality of aid spending were missing, the suspected government body or the NGO wasn't put under pressure or punished by the fund provider to prevent further waste of funds in the future.

Even, if direct intervention results in better outcomes in the first stages, the continuation of it leads to the emergence of a parallel state which crowds out the government's development management and its authority in the country. Except for a small portion of elites and educated people who followed the news could know the process of the development projects who funded it, who designed and by whom implemented it. However, the bulk of the public, considering the low literacy rate, gives credit to whatever organization implements the reconstruction and development projects. They either don't or aren't able to trace the main source of the project. Hence, channeling most of the funds through government budget would provide for

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<sup>19</sup> Ibid.

government an opportunity in which it could expand its presence in rural areas by building bridges, schools, water supply systems, and hydroelectric dams, demonstrating itself as a responsible, determined, and competent government that can improve people's life. The more development projects implemented by government, the more its representatives would have interacted with local communities. Consequently, the government's authority and credibility would have improved in people's perception by which they could build trust in the government. Later, those communities not only would have the potential to comply with rules and regulations without serious resistance but also the potential would have been created to support the government in times of foreign forces' withdrawal or the Taliban's threat.

A good example of how project implementation was influential on people's perception of their government was the pavement of streets in the west of Kabul city. Despite the main roads of Kabul city being paved from 2002 to 2016, streets except in the city center remained as dirt roads until 2016. The government neither introduced a new urban plan nor paved the old dirt streets.<sup>20</sup> In 2016, the UN-Habitat started paving some streets in the west of Kaubl. In social media, community meetings, and local media, people were thankful for the UN-Habitat but discontent and complained the government's incompetency.<sup>21</sup> In these areas, except for school buildings that were built and teachers were employed by the Ministry of Education, the government had no other presence. In 24 hours, almost two-thirds of time power were down, water supply was provided by individual local private businesses, and in an area inhabiting nearly two million people, only one public hospital existed. Thus, the direct spending by donors (street pavement) though contributed to the improvement of people's lives but even weakened the government's competency in residents' perception. An elder man in a local meeting once said:

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<sup>20</sup> Searched evidence on whether there wasn't a plan or couldn't implement it due to residents' resistance to not their property but wasn't found.

<sup>21</sup> Author's own observation and experience when lived in these areas

we don't have a government. The few streets you see are paved by Moasesa (the common name for NGO in Persian). Over 20 years of aid provision, this situation was prevalent in many parts of the country where the government's presence in the form of development projects was negligible compared to donor's NGO partners which weakened the government's credibility in people's eyes.<sup>22</sup>

There are multiple examples of direct intervention and spending large amounts of aid outside the national government budget in African countries that didn't work.<sup>23</sup> At the London Conference on Afghanistan in 2014 where all major donors' representatives such as the United States, UK, Japan, EU, and Germany gathered for renewing their commitment to funding Afghanistan for the next five years, Ghani who inaugurated his presidency a few weeks ago, addressed donors explicitly and said: "We need to do development differently. When a government does not reform, parallel institutions are created, and marked projects are created. But global experience shows that parallel organizations do not work. Haiti is the best example, but there are multiple examples... so we want to propose to you! Let's change the modality from payment for projects to payments for results. Let's agree on the results. You pay us after we accomplished."<sup>24</sup> Before this he spoke on reforms and improvements achieved for better financial management and thus, he proposed that the aid modality from earmarked projects must be shifted to central planning via the core budget for long-term and more sustainable plans.

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<sup>22</sup> Wallden Bello, The Rise of the Relief and Reconstruction Complex, TNI, 2006, <https://www.tni.org/my/node/10436>

<sup>23</sup> Ghani and Lockart, Fixing Failed States, 2008

<sup>24</sup> Ashraf Ghani, Closing Remarks at the London Conference, video, <https://www.youtube.com/watch?v=akbryGx6aLw>.

### 3.3.1 Distorting Employment and depleting government's human resources

The external budget bypassed the government didn't only alienate government and created a negative perception among citizens, but it had other multiple consequences such as distorting employment, depleting the government of skilled employees by offering high payments compared to average wages in the public sector, domestic private businesses, and inflating housing rents in big cities, especially in Kabul. As discussed, the interim government in 2001 and then the so-called Transitional Government in 2002 started almost everything from scratch, and thus it had to offer very low wages. In 2002, when the number of INGOs and NGOs started rising due to the flow of foreign funds, Afghanistan's GDP per capita was \$ 179, though it gradually increased at its peak to \$ 639 in 2012,<sup>25</sup> the rise was accompanied by an increase in the amount of funds and the number of NGOs. With the increase in funds, and contracting projects to multiple contractors downstream, on the one hand the demand for professionals with English knowledge and basic office skills increased significantly, and on the hand, as the government was too poor in budget creation and revenue generation, as the aid channeled through core budget was also much lower than the budget spent through NGOs plus the USD payment of NGOs considering USD-Afghani exchange rate of 0.45 at the time, a wide gap of NGO-government wage emerged that in some cases, NGOs' employees depending on the NGO they worked for<sup>26</sup> earned 20 folds higher than government employees for a similar job. For instance, a car driver, with similar qualifications (since for this job, generally, no other specific qualification is required other than a driving license) in the public sector received only \$ 40 a month while at national NGOs received \$ 110, around \$ 500 at international NGOs, and more than \$ 800 at multinational NGOs like the UN and USAID.<sup>27</sup>

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<sup>25</sup> Afghanistan GDP per capita, World Bank, 2022, <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=AF>.

<sup>26</sup> Multinational NGOs like the UN multiple bodies and USAID paid the highest salaries followed by large international NGOs, and national and local smaller ones.

<sup>27</sup> Ahmad Najim Dost, Explaining NGO-State Wage Differentials in Afghanistan, Munich Personal RePEc Archive, No. 66639 (2015), 10.



Drivers, cook, guards, and cleaners received the lowest salaries in the public, private, and NGO sectors. Considering that, a driver's wage worked for an NGO was multiple times higher than other civil servants and even than security forces who carried out risky jobs. Government civil servants' salaries have been ranked in seven categories, "The First Rank"<sup>28</sup> as the highest paid position after ministers and directorates' salary was AF 32,500<sup>29</sup> (roughly \$720, at the exchange rate of 0.45)—which required several years of professional experience plus higher education, received less than a driver that worked for an NGO. "The Eighth Rank," the lowest rank received AF 5,600<sup>30</sup> (\$124) eight times less than a driver who worked for a large multinational NGO but roughly the same as one who worked for a small local NGO. Even the salary of a low-ranking job like driver or cook at NGOs were much higher than security forces served in ANA and ANP. A soldier of ANA who should have risked his life received AF 12,000 (~ \$ 270) per month—half of a driver who worked for a typical NGO, let alone large multinational ones. These differences were wider for ANP's salaries because on average, ANA's salary was higher than ANP's. An ANP first Lieutenant officer received AF18,000 while the same rank of ANP officer received roughly AF 15,000.<sup>31</sup>

The exorbitant compensation gap between government and NGOs employees depleted the public sector of high skilled professionals. The government which was struggling to improve its capacity and boost budget creation attempted to keep its employees. However, since qualified employees were scarce at a level that no public university offered any master's programs before

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<sup>28</sup> Translated from Persian words "Bast Awal."

<sup>29</sup> Haseb Bahesh, "The New Payment Mechanism of Taliban Interim Government for Public Sector Employees," Translated by author, Daily 8-AM, 2021, <https://8am.media/new-taliban-led-government-payroll-for-government-employees/>

<sup>30</sup> Ibid.

<sup>31</sup> Authors work experience at the Ministry of Defense-Afghanistan

2007,<sup>32</sup> and only one private university existed before 2006,<sup>33</sup> attracting skilled employers contested between government ministries and NGOs. Since in this game NGOs had financially an upper hand, they offered high-payment jobs and many government professionals<sup>34</sup> who could be effective in improving the government's capacity absorbed by the NGOs. Those who still worked in the public sector felt disillusioned and perceived their job and compensations inferior when compared to the luxurious income of NGO workers. The low payment to government employees, either civil servants or security forces who were struggling to cover their living costs were gearing many other issues such as widespread corruption. As firsthand evidence, personally heard of several traffic police officers who were taking cash instead of fining drivers legally for not having a driving license or wrong parking saying that we can't afford our bills by AF12,000 per month and have to add to it through other ways.

### 3.3.1 Contractors and fragmented projects

The high off-budget spending also created another big issue—that is, large donor agencies split development projects by contracting them to numerous subcontractor NGOs. The demand created by these large INGOs for subcontractors caused a mushroom-type rise in the number of NGOs in Afghanistan. In 2004, 2,365 NGOs registered with the Ministry of Economy and then the Ministry of Planning.<sup>35</sup> Donor NGOs were perceived as money mines and subcontractor NGOs were fund miners who tried to extract as many projects as they could. Although NGOs have been supposed to be not-for-profit organizations called “Muasesa,” during the pick years of fund flows, having an NGO and getting funds were like starting a lucrative business company

<sup>32</sup> Abdulbaqi, Misbah. “Higher Education in Afghanistan.” *Policy Perspectives* 6, no. 2 (2009): 99–117. <http://www.jstor.org/stable/42909239>, 103.

<sup>33</sup> The first private through established in 2002 but it was too small, and the American University of Afghanistan (AUAF) established in 2006. However, after 2007, private universities started to rise significantly that in 2016, the Ministry of Higher Education banned licensing any new private university.

<sup>34</sup> Wallden Bello, *The Rise of the Relief and Reconstruction Complex*, TNI, 2006, <https://www.tni.org/my/node/10436>

<sup>35</sup> Rahmani, *Donors, beneficiaries, or NGOs*, 4.

through which NGO owners could earn a large amount of dollars in a very short period of times since most of the projects were short-term as well as creating jobs, high paid but not sustainable, for their friends and relatives.<sup>36</sup>

Since establishing these NGOs was as starting a business, mostly for getting funds than being established esteeming from a determination on bringing socio-economic change,<sup>37</sup> this led to huge waste and ineffective use of funds. As mentioned earlier, since the projects were given to numerous subcontractor NGOs, an effective monitoring and evaluation was difficult and costly too though as will be discussed later, poor monitoring and evaluation and weak determination of donor NGOs demanding accountability on the funds they provided, was one of the serious causes of waste of funds and unsatisfactory results. For instance, an M&E officer who later became ambassador of the Government of Afghanistan to the US narrated her observation on how projects were implemented ineffectively by NGOs due to their for-profit purpose and lack of serious follow-up by the donor agencies:

In 2005, I was assigned to evaluate women's rights and gender equality projects implemented by local NGOs. I visited a training workshop promoting women's rights in the Jalrez district of Wardak province. The trainer conducting the workshop, a former high-school teacher, kept writing the Convention of Elimination of all forms of Discriminations against Women (CEDAW) articles on the blackboard in a room filled with illiterate village women. I questioned the director of the implementing NGO on the design of this project. After blaming her staff and claiming she was not aware of the methodology used in the project; she admitted that talking about CEDAW is not a sensible approach in conservative communities such as this one. She explained that women in these villages are not allowed to leave their Qala (a walled compound where all the members of one clan live together). In response to why she would take on a project knowing it is not useful, she explained that she heard about the donor's decision to fund projects on raising awareness about CEDAW in provinces of Afghanistan. She argued that she has no other project to sustain her NGO and retain her

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<sup>36</sup> Dost, Explaining NGO-State Wage Differentials in Afghanistan, 5.

<sup>37</sup> The purpose of registering many NGOs was just the availability of funds. Personally heard from friends and acquaintances saying that there are funds available, we have to register an NGO to get the fund.

employees, who are mostly widows supporting their families. She claimed that if she did not get the funding, some other NGO would, and would deliver the same quality of service, if not worse. The donor agency intending to promote the implementation of CEDAW in Afghanistan's provinces either did not bother asking the local NGO about their implementation methods or was unaware of the 97 percent illiteracy rate among women in this area. The only reason for village women to attend the workshop was the US\$2 per day stipend for each of the three days of the workshop.<sup>38</sup>

As another example, a friend of mine who was working for an Afghan NGO whose projects were sponsored by USAID said how they implement projects worth \$200,000 to 400,000 dollars and spend roughly half of the budget. I asked him how they deal with the M&E's follow-ups, he said that we are aware of their visit before, so we coordinate things to show we have done the project. It would seem blatantly fake, I asked, how did they believe? He said donors monitoring and evaluation always visit project sites with prior notification in which they coordinate the exact timing of their visit with the recipient NGO. Hence, upon their notification, we prepare and coordinate everything to show the progress and result. Furthermore, in most cases, they find out that we have not complied with the project requirements, but they don't take it seriously. For instance, a project funded by USAID for promoting small businesses, supporting them to increase their employees' payment, and employing fresh university graduate job seekers. The project required the implementing NGO to invite CEOs of small businesses to allow some of their employees to attend a four-week capacity building classes that were held by the recipient NGO for free. The employer had to agree on increasing the trainees' salary by 3-5% after completion of the course. In addition, the NGO had to find some firms to agree on employing their job-seeking trainees upon completion of the training.

The project manager of the NGO listed the names of his friends and acquaintances. Some of them attended the classes while others didn't. For the other requirement of the project, the

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<sup>38</sup> Rahmani, Donors, beneficiaries, or NGOs, 6.

project manager talked to firms whose owners he knew and asking their cooperation in the project by increasing the trainees' salary by the required percentage on a fake work contract as well as making employment contracts for the job-seeker trainees to show it to M&E visitors at the end of the project. A day before the USAID's M&E representative was supposed to visit, I was at the NGO's project coordinator's office who called all whose names have been listed as trainees and taught them what to do in response to the evaluator. I remember the project coordinator who was a friend of mine said weeks later that how some of his clients forgot what to say to the monitoring and evaluation reporters and some of them even had forgotten and weren't aware of the training class. Despite such blatant corruption, he said that their projects were approved as "completed." Countless projects worth millions of dollars implemented similarly.

The emphasize on large external budgets and many ad-hoc projects by donors was largely due to donors' believe in the flexibility of such an approach,<sup>39</sup> however, they didn't take into account that too much flexibility also paves the way for corruption and misuse of funds. Reliance on one-time projects and NOGs owners' perception of getting development projects as winning a usual for-profit business<sup>40</sup> bid contributed to a poor M&E. Since funds had a short implementation time frame in which it had to be spent, hence, there was a strong will to distribution of projects from original NGOs and this implied a message to subcontractor NGOs to take advantage of the availability of funds.<sup>41</sup> The rush on spending and competition on getting fund<sup>42</sup> in some cases led NGO owners to receive projects at the expense of paying part of the projects' fund to their acquaintances at the original NGO who were making the recipient NGO win the bid. In

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<sup>39</sup> Wallden Bello, The Rise of the Relief and Reconstruction Complex, TNI, 2006, <https://www.tni.org/my/node/10436>

<sup>40</sup> Walter Mayer, Criticism Grows of Afghanistan's Bloated NGO Industry, Spiegel International, 2010, <https://www.spiegel.de/international/world/exotic-birds-in-a-cage-criticism-grows-of-afghanistan-s-bloated-ngo-industry-a-718656.html>

<sup>41</sup> Wallden Bello, The Rise of the Relief and Reconstruction Complex, TNI, 2006, <https://www.tni.org/my/node/10436>

<sup>42</sup> Ibid.

such cases, the NGO even didn't require to prepare for evaluation report since the process of preparing an M&E report was resembling a joint effort by both the recipient and donor NGO.

Winning bids didn't work only by bribery, as mentioned earlier, contracts were passing through multiple subcontractors before it reached to the final contractor who were the implementer. One of the critiques on the NGO implementing projects were their poor outcomes and passing it down to several subcontractors was the main reason of the unsatisfactory results because every contractor siphoned part of the fund before contracting it to the next one, much like as when everyone diverts a proportion of the water towards his/her farm, and a trivial amount will remain for those who are in the downstream.<sup>43</sup> Yet, they also had to make sure of their profits and then implement the project with whatever left of the fund. Although the corruption of auctioning projects wasn't specific to projects implement by donors. The process in the government projects wasn't less corrupted if not more.<sup>44</sup>

Concerns were expressed on the issue and its detrimental consequences for the whole process of reconstruction but haven't been taken seriously or maybe was rejected deliberately since many benefited from the situation as the money flow through donor-NGO channel was a windfall money. Ramazan Bashardost, minister of planning at the time was the first prominent official who seriously spoke against the disadvantages of the emergence of thousands of NGOs and contractors, and the harmful consequences of the process for the economy. He warned on a TV show that the continuation of aid funds being channeled through hundreds of NGOs instead of government will lead to the collapse of the state and called on dissolving 1,935 NGOs. However, he didn't receive enough support neither from public nor among politicians which led him to

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<sup>43</sup> Bello, The Rise of the Relief and Reconstruction Complex.

<sup>44</sup> Sippi Azarbaijani-Moghaddam, et al. European Network of NGOs in Afghanistan, (2008), 51.

resign.<sup>45</sup> On his resignation press conference when a journalist asked about the funds spent by NGOs out of government's budget, he said that "I believe from the \$2billion, 98 percent hasn't reached the target community."<sup>46</sup>

Bashardost wasn't the only government official who criticized NGOs, several other high-ranking officials also criticized NGOs' role in the fund management. Hanif Atmar, minister of Rural Rehabilitation and Development (MRRD) in 2002 said that only 100 NGOs activities out of 1,100 were reasonable and the rest all were established to take advantage of the development funds<sup>47</sup> but trend continued as it was until the end of the process.

### **3.4 Misalignment and lack of consensus on the modality of Aid Spending**

External budget and direct intervention of donors were inevitable due to the urgent need for humanitarian aid and low capacity of the Government of Afghanistan in the initial years.

Government of Afghanistan also, as mentioned earlier, acknowledged the necessity of donor partners' independent involvement on the ground, but hoped that gradually most of the funds will converge in the core budget to help build a bilateral state-citizen relationship as modern states based on exchange of service provision and tax obligation.

In 2010, after the Kabul Conference, Government of Afghanistan developed 22 National Priority Programs and categorized them into six major groups: 1) agriculture and rural development; 2) governance; 3) human resource development 4) infrastructure; 5) private sector

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<sup>45</sup> Rahmani, Donors, beneficiaries, or NGOs, 4.

<sup>46</sup> Associated Press Achieve, Afghan Planning Minister Resigns, Condemns NGOs, Youtube (2004), <https://www.youtube.com/watch?v=Yl0gUh53qH8>

<sup>47</sup> Rahmani, Donors, beneficiaries, or NGOs, 4.

development; and 6) security. Government of Afghanistan emphasized that donors must align their programs within the NPPs and use the country system to boost government capacity.<sup>48</sup>

Commitments on this regard made at numerous international and national conferences on providing aid aligned with the country systems. Donors pledged to use country systems consistently and to help nations strengthen them in the Paris Declaration (2005) and Accra Agenda for Action (2008), respectively. Donors promised to use these systems as the default aid mechanism, while recipient countries had to enhance their country systems to the greatest extent possible during the Fourth High Level Forum on Aid Effectiveness in Busan (2011). A global organization called the New Deal for Engagement in Fragile States, which seeks to increase donor involvement in nations afflicted by conflicts, also recognized the greater use and strengthening of national systems as a crucial area where donor engagement may be improved.<sup>49</sup>

Despite these commitments, however, donors were reluctant on aligning the spending and programs with the Government of Afghanistan's suggested mechanisms and a significant portion of funds spent by donors weren't aligned with Government of Afghanistan's expectations. In Tokyo Conference on Afghanistan in 2012, donors committed on channeling 50 percent of development aid through core budget and 80 percent of the overall funds be aligned with NPP. However, it turned out that Government of Afghanistan's expectations and definition of alignment differed with the donors. Donors assumed the alignment with NNP as spending 80 percent of the budget on sectors that just fall in NNPs irrespective of the modality and mechanisms of spending, the feasibility of tracking and evaluation, while for Government of Afghanistan, additional to the requirement that programs fall in the NPPs, alignment meant spending the funds in a way that easily can be monitored and evaluated as well as being

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<sup>48</sup> Ministry of Finance-Afghanistan, Aid Management Directorate, Donor Cooperating Report, From Tokyo to London: A Progress Report on Development Co-operation (2014), 57.

<sup>49</sup> Ibid, 57.



consistent to their needs and priorities through national mechanisms and strategies.<sup>50</sup> In this regard, Government of Afghanistan's concern seemed reasonable since mere including programs to the sectors specified in the NPPs doesn't necessarily make them effective. It was the modality and mechanisms that could lead to better results and reduction in waste and misuse of funds when they can easily be traced and evaluated.

Numerically speaking, based on the data that collected from donors for evaluation of alignment in 2014, \$9.2 billion out of development fund since 2012 has been aligned according to the NNPs criteria. However, in the reports that Government of Afghanistan ministries provided on the alignment of the funds, just \$4.4 billion has been aligned, indicating a large discrepancy amounting \$8.4 billion between donors and GoV's data. The reason for this discrepancy seems apparently been the fact that, although government's had ownership on the development management on paper but in practice, key decisions on the modality through which the funds must have been spent made in donor countries instead of Kabul.<sup>51</sup> Considering the fact that the alignment data collected by respective sides themselves—donors' alignment data by donors and government's data by Ministry of Finance—the reliability of the data can be questionable since the data weren't compiled by an independent unit.

### **3. 6 Highly biased distribution of aid in favor of conflict-affected area**

The reconstruction process led by the United States was severely biased at a regional and provincial level. Since the initial intervention was just military operation, later in the Tokyo Conference (2002) when donor countries pledged support for recovery and reconstruction,<sup>52</sup> many subsequent reconstruction programs including development aid linked to military

<sup>50</sup> Oxfam, Assess Transform Reach, aid effectiveness in Afghanistan (2018),16.

<sup>51</sup> Ibid.

<sup>52</sup> Poole Lydia, Afghanistan: Tracking Major Resources Flows (Wells: Global Humanitarianism Assistance, 2011), 4. <https://devinit.org/welcome/>.

presence. Security emerged as a top priority in two thirds of the Provincial development Programs (PDPs); most strongly in the south and the east of the country. In these regions, security is perceived as the fundamental basis on which all other development depends on.<sup>53</sup>

The rationale of dividing the country into safe and insecure areas and using aid and economic aid to secure the later one was based on the US and NATO/ISAF counterinsurgency (COIN) strategy. This strategy originated from on a hypothesis that insufficient funds were allocated for reconstruction as a reason for the insurgency's rise. Hence, massive amounts in rehabilitation and development funds made through both civilian and military channels based on the hypothesis that these funds can stimulate economic growth and turn local people to pro-government<sup>54</sup> through which the rise of insecurity can be controlled. Hence, the US government expanded the principal cash available to military commanders in 2010 to \$1.2 billion in order to assist initiatives aimed at "winning the hearts and minds" of the local population. However, there was no evidence on such cause-and-effect relationship between amounts of funds and reconstruction projects and the level of insecurity to assume that the reason of conflicts and insurgency was lack of reconstruction projects.<sup>55</sup>

In 2001 when Taliban ousted, security situation was relatively satisfactory in most part of the country and this condition sustained for almost three years. However, in 2004, Taliban started rebounding back and security started deteriorating. Security situation was acute in certain parts and provinces, mostly south and southeast while central, north, and northeast were stable.<sup>56</sup> With the deterioration of security in the south and southeastern parts, donors shifted their activities from stable areas where programs were about to flourish, to the insecure areas. The majority of

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<sup>53</sup> Islamic Republic of Afghanistan, Afghanistan National Development Strategy (2008), 22.

<sup>54</sup> Andrew Beath, et al. Winning Hearts and Minds through Development? Evidence from Field Experiment in Afghanistan, No. 6129, World Bank (2012), 4.

<sup>55</sup> Andrew Wilder, Afghanistan, 1979-2009: In the Grip of Conflict, Losing Hearts and Minds in Afghanistan (Washington: The Middle East Institute, 2012), 145.

<sup>56</sup> Jon Bennett, et al. Country Program Evaluation Afghanistan, Department for International Development, No. 696 (2009), 37.

US development assistance was focused on less secure locations of the country rather than secure ones because the primary Government of Afghanistan of transferring these money was to promote security Government of Afghanistan rather than development ones. Similar factors also contribute to the rising use of military or civil-military organizations like the Provincial Reconstruction Teams (PRTs) rather than more conventional humanitarian and development organizations.<sup>57</sup> This was a short-sighted policy ignored peaceful areas and started insisting in to intensified foreign presence in the insecure areas which might have impacted public perception of the government and its international allies.<sup>58</sup>

Donors, the U.S as the leader along with the Government of Afghanistan must have proceeded with reconstruction process evenly in all regions of the country while working on the factors of insecurity in the unstable regions. However, donors made commitments and involved in providing reconstruction projects in south and east far more than other regions. According to data, multiple donors appear to funnel a disproportionate amount of money to the southern provinces where the insurgency is most active. These aid inequities are frequently perceived as unlawful or unjust, which weakens faith in the state. While many other provinces received less than half this amount, and some, like Sari Pul or Takhar, are allotted less than one third, the most unstable provinces, Nimroz, Helmand, Zabul, Kandahar, and Uruzgan, received more than \$200 per person in 2007/8.<sup>59</sup>

The biased allocation of aid programs and reconstruction efforts led to several consequences. First, aid couldn't be spent effectively in insecure areas due to low absorption capacity. In the conflict-affected areas, the cost of delivery such as transportation, operational and office establishments, payments, security maintenance, and procurement were making reconstruction

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<sup>57</sup> Wilder, 145.

<sup>58</sup> Holly A Ritchie, *Aid Effectiveness in Afghanistan: At a Crossroads*, ACBAR (2006), 13,14.

<sup>59</sup> Bennett, et al. *Country Program Evaluation Afghanistan*, 39.

programs too costly. Additionally, the risky environment contributed to low transparency, misuse, and wastage of funds since monitoring and evaluation was difficult to carry out. Though in 2005, in Helmand and Nangerhar, two insecure provinces initially seemed that poppy eradication programs have been effective however later it turned out that it has been due to impact of “fast-paced” programs which first seemed successful, but it negatively impacted economic growth.<sup>60</sup>

Implementation of fast-paced programs and a rush on changing locals’ perception towards donors and Government of Afghanistan through spending was a serious policy flaw. According to International Transparency that conducted interview with officials and domestic policymakers, the rush and high scale of funds with expecting quick results were preferred over achievement of long-term and sustainable Government of Afghanistans. The emphasize on large scale spending without proper consideration of its effectiveness and outcomes have been at the level that in one case, the UN officials have been assigned by their senior officials to allocate a fund of \$2.7 billion for multiple projects in the field within a 10-day deadline.<sup>61</sup>

Though the overall amounts of funds were substantial, implementing donors on the ground bounded on the specific amounts they received for a specific period for certain projects and thus they weren’t able to expand the funds to stable areas when they shifted the focus to insecure provinces. Hence, the biased spending constrained donors and Government of Afghanistan financially to spend on peaceful areas. While certain areas, especially the provinces with high security incidences and poppy cultivation flooded with varying types of projects and funds, peaceful areas left deprived of the reconstruction process and struggled in directing funds and projects to their communities.<sup>62</sup> For instance in Daikundi, a central province which has been

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<sup>60</sup> Ritchie, *Aid Effectiveness in Afghanistan*, ACBAR, 13, 14.

<sup>61</sup> Mark Payman, et al. *Corruption Lessons from International Mission in Afghanistan* (UK: Transparency International UK, 2015), 32.

<sup>62</sup> Jackson, *Quick impact, quick collapse*, Oxfam International (2010), 3. And Ritchie, *Aid Effectiveness in Afghanistan*, 13, 14.

stable over the course of years, welcomed government and international forces, in 2012, the period of highest aid inflows, when international presence was at its pick, only 1% of schools had building.<sup>63</sup> 99% of students either hadn't access to education at all or attended classes in tents and or open air. Until today, there are no paved roads in the entire province, neither its local roads nor roads connecting it to neighboring provinces. Central parts have harsh mountainous geography, knowns as the "Afghanistan's Geographical Prison" and despite breaking this prison was one of main election mottos during 2014 and 2019 presidential elections, the promises haven't been realized.<sup>64</sup>

Due to steep and narrow dirt roads, Daikundi has the highest road accidents and casualties in Afghanistan, not car crash but vans that fall down of narrow, twisted dirt roads that cross top hills. In the absence of public transportation, locals commute by Toyota Super Custom vans which are affordable but extremely old and depreciated that makes them hard to control. Only in 1401 (2021/2022), these roads left 45 deaths and 114 wounded. In one incident in October 10 people lost their lives and another 8 wounded.<sup>65</sup>

The deprivation and too biased approach of reconstruction in the northern, central, and northeastern parts, gradually weakened the incentive to support government's policies due to the feeling of being overlooked and alienated to reconstruction process.<sup>66</sup> The approach channeling the bulk of funds to areas where security deteriorated by insurgents, led people criticize donors and the Government of Afghanistan for their discrimination in favor of conflict-affected areas.

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<sup>63</sup> Jackson, Quick impact, quick collapse, 3.

<sup>64</sup> Mohammad Admadi, A Trip to Central Provinces and its Harsh routes, Jade Abresham Weekly, 2020, translated by author, <https://jade-abresham.com/reports/2897/>.

<sup>65</sup> Daily Etilaatroz, Deadly Roads to Daikundi; 45 people Killed in One Year (2022), <https://www.etilaatroz.com/158416/%D8%AC%D8%A7%D8%AF%D9%87%D9%87%D8%A7%DB%8C-%D9%85%D8%B1%DA%AF%D8%A8%D8%A7%D8%B1-%D8%AF%D8%A7%DB%8C%DA%A9%D9%86%D8%AF%DB%8C/>.

<sup>66</sup> Byrd, et al. Afghanistan in Transition, 24.

Insecure areas rewarded while peaceful areas deprived of reconstruction projects, and this was giving the impression to people in the peaceful areas that they are paying for living in the peaceful areas.<sup>67</sup>

### **3. 7 A Strategy with Counterproductive Results**

Prioritization of the south and the southeastern part and shift of resources to these regions assumingly had three main Government of Afghanistanls: 1) Expelling insurgents through Intense presence of national and international forces and establishing government institutions to leave minimum space for insurgents; 2) eradicating poppy cultivation; and (3) changing local's people's perception and attracting their supports for the new process managed by international forces and Government of Afghanistan.

However, it turned out that not only the efforts were counterproductive for the Government of Afghanistanls have been set but amid the chaos of flooding thousands of military personnel, high aid inflows, and a rush on quick spending and quick results, the funds turned to a source of personal business and political power.<sup>68</sup> Concentration on insecure areas had developed a kind of unwritten policy in which funds have been correlated with the level of insecurity and it was ignored by donor policymakers that the trend will have counterproductive results leading to further escalation of security incidences.<sup>69</sup>

A study conducted by the University of Tufts suggested that those efforts in fact have losing hearts rather than to win them. These findings have been observed at the pick time of international presence including military and aid providers that despite the highest amounts of funds have been flowing since the start of the reconstruction process, still people's attitude

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<sup>67</sup> Wilder, Afghanistan, 1979-2009: In the Grip of Conflict,146.

<sup>68</sup> Byrd, et al. Afghanistan in Transition, 24.

<sup>69</sup> Payman, et al. Corruption Lessons from International Mission in Afghanistan, 32.

towards international forces and Government of Afghanistan have been notoriously unsupportive.<sup>70</sup>

Experiments also showed that cash transfer doesn't help to develop positive attitudes among locals towards the government, and even it resulted to further sympathy for the Taliban. A field experiment that studied the effect of direct cash transfers and vocational training to local people on their perception of the government, economic livelihood, and their attitude towards insurgents, mainly the Taliban, found out that vocational training had no significant effect on improvement of their perception of the government nor it had affected their livelihood. Though, the transfers had an immediate incremental effect on positive attitudes toward government but this effect reversed very soon, lower than the pre-cash transfer and raised supports for the Taliban even in terms of donation.<sup>71</sup>

These effects have been identified while cash transfers in insecure areas by donors, especially through military channels had become prevalent in southern part, especially in Helmand. The cash further led to expansion of corruption which already was one of the reasons that had developed negative perceptions for the government. Hence, the transfers and flooding aids, most of the time didn't only further deteriorate people's perception of the government but also were contributing to further escalation of conflicts.<sup>72</sup>

Although in some cases, reconstruction projects and development aid resulted in changing people's perception on Government of Afghanistan and its international partners in short-term during the projects have been running or shortly after completion with slight decreases in security issues, but those changes didn't sustain and faded away soon, implying that such

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<sup>70</sup> Wilder, Afghanistan, 1979-2009: In the Grip of Conflict, 146.

<sup>71</sup> Jason Lyall, et al. Can economic assistance shape combatant support in wartime? Experimental Evidence from Afghanistan, *American Political Science Review*, doi:10.1017/S0003055419000698, 114, 1, 126–143, Cambridge University, 2019), 2, <https://doi.org/10.1017/S0003055419000698>.

<sup>72</sup> Wilder, Afghanistan, 1979-2009: In the Grip of Conflict, 146.

interventions cannot bring sustainable changes.<sup>73</sup> The reason could be that civilian's perception towards government and its foreign allies will be changed when insurgency activities declined instead of being dependable on amount of the reconstruction funds<sup>74</sup>. The explanation would be that people's perception is more affected by the security level in a way that in areas with high levels of security incidents, development aid and reconstruction projects won't be effective but in areas with low or moderate levels of security issues, funds and aids might have some positive results, though still not sustainable. Hence, the level of support for Government of Afghanistan and its allies seems that have been influenced by the general attitudes in the respective region. This explanation would make sense considering the level of support in the secure areas as well as since majority are supportive or at least don't cause trouble, then the unsupportive perceptions also will be modified.<sup>75</sup>

### 3.4.1 Untapped capacities

Although the argument might have been that stabilizing the conflicting areas would address insecurity as the main problem and the peaceful areas would be addressed into in a later opportunity. However, donors and the Government of Afghanistan ignored that stable areas had higher potential of growth and development with several advantages such as low cost including human and financial cost, easiness of M&E and expecting higher transparency. Had donors paid attention to peaceful areas by directing funds and projects proportionately, a significant change in the aggregate reconstruction outcomes would have emerged. The peaceful areas had multiple characteristics which had given these regions a high potential of transforming rapidly in terms of human and economic development indices. First, in contrast to insecure areas, they were pro-government, welcoming to international forces' presence including military and civil workers.

<sup>73</sup> Beath, et al. Winning Hearts and Minds through Development? 5.

<sup>74</sup> Lyall, et al. Can economic assistance shape combatant support in wartime? 2.

<sup>75</sup> Beath, et al. Winning Hearts and Minds through Development? 5, 6.



Local communities in these areas were so optimistic to the new process which has been started by the fall of the Taliban in 2001 by the Operation Enduring Freedom. Hence, in these areas, people not only resisted aid workers, military convoys, and consultants but were highly supportive and appreciative to donors' efforts and military personnel risking their life. People didn't only welcome the new process at the local level but also supported the new government through active and high participation in democratic decision-making. Second, the growth and improvement that could be achieved in the secure areas, would have contributed to aggregate indicators as well as having spillover effects in the development of private sector. However, enough attention haven't been paid in this regard.

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### **3. 9 Overestimating the Initial Changes**

In spite of achievements in many indicators in education and healthcare access, and the annual growth rate, considering amount of money allocated—though as will be discussed, most of the funds didn't reach on the ground—the length of involvement, and the allegedly collective efforts that have been put by more than 70 donor countries, achievements have been far below the expectations. In the London Conference in 2006 known as the Afghanistan Compact, donor countries committed on helping Afghanistan to reach a set of goals based on the Afghanistan Millennium Development Goals (MDG), and aligned with the benchmarks set in the National Development Strategy. However, in the subsequent report published in 2008, despite some improvements have been made in child mortality reduction and disease control, the first goal of “eradicating poverty” was marked “difficult to achieve,” and reaching “universal primary education” as the second goal remained challenging despite improves in the number of primary

school enrollment. Similarly, the goal of gender equity also marked as “off-track.”<sup>76</sup> It would be interesting to discuss whose expectations. Generally, improvements in a few indicators among many others have been always emphasized on by both donor partners including donor countries and agencies and Government of Afghanistan whenever the process have been questioned for waste of resources, time, and most importantly the unprecedented opportunity that have had emerged in the initial years of intervention.

The increase in the annual growth rate in the first few years following 2001 was emphasized on as one of stunning achievements. Though no one can deny the improvement, but some of them have been largely overestimated and these exaggerations were misleading in a way that made many to think that things are progressing satisfactory, and thus policymakers as well as actors on the ground didn't reconsider their strategies to take the process on-track. Among them was the high growth rate of 20 to 29 % in 2002 and the average growth rate of 9% in the following years that highly emphasized on overlooking the fact that it started increasing from an extremely low base and a very favorable weather in the respective year since at that time, 90 percent of the work force was at agricultural related jobs.<sup>77</sup> Afghanistan had just came out 20 years of conflict—the invasion of Union, a three-year devastating civil war (1989-1992), and then before the nascent Islamic State of Afghanistan could start recovering, the Taliban took over and the country went into an isolation for another 5 years. Official data on the livelihood and economic indicators during the Taliban rarely can be found, but the dire situation was evident when economic indicators started moving in 2001.

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<sup>76</sup> Islamic Republic of Afghanistan, Joint Coordination and Monitoring Board, Afghanistan Millennium Goal (2008), Afghanistan Compact (2006), and Afghanistan National Development Strategy (2008).

<sup>77</sup> Stephen Lewarne and David Snelbecker, *Economic Governance in War Torn Economies: Lessons Learned from the Marshall Plan to the Reconstruction of Iraq*, No. 2941-1729-0-P-01, Academy for Educational Development (2004), 96.

Life expectancy, school enrollment, especially for girls, and women participation in the work force that experienced significantly improve in 2001 also has been considered as main achievements of the reconstruction process. However, the changes were more due to two main reasons; one starting from a very low base and second the overall relatively free environment that have been provided for people in terms of education and economic activities. The confusion I argue arises when we think all these changes as the result of the injection of money, technical assistances, or other means of assistances that donors used. Of course, to a large extent, the assistances and funds contributed to the change, however, the intervention itself, the removal of the suppressing and dictating regime of the Taliban was more a factor of improvement than the reconstruction projects. For many, fall of the Taliban was as the prison has been broken, everyone was out and had the freedom to work for the betterment of their life. This change of perception, and the emergence of hope and prospect for future was much fundamental effect of the intervention than the materialistic provisions. The reason is that the change in the people's perception was lasting factor for development, but the reconstruction projects were scattered, biased, unsustainable as some years inadequate but other years more than required. Hence, though the counterfactual can't be understood accurately but a proportion of the rapid increase in some indicators could be achieved after the fall of the Taliban through market forces, specifically on a demand-driven force, at the absence of foreign fund as well.

In health and education also there has been doubts on the accuracy of the data presented by the UAID on some achievements made in these fields. For instance, in 2002 the USAID released the result of a survey in which announced that life expectancy has increased by 22-years in the period of 2002 to 20010. Since unlike economic indicators, the life expectancy usually takes longer time to improve, though the report boomed a news of development aid provided by the US as astonishing achievement, later it turned out that the reliability of data is under question. It is sad, for instance, Professor Kenneth Hill at the Harvard?? University in 2012 in an examination ruled

out the reliability of data from the southern part and argued that data from northern and north-eastern parts are also questionable. One possible explanation of publishing such stunning achievement has been due to pressure that the program implementers on the ground have been receiving from seniors to present better results.<sup>78</sup>

Similarly, in education also what have been overemphasized as one of incredible achievements was the increase in school enrolment, especially a sharp increase of girls' enrolment. In 2001, only 1 million students have been in school, and this had increased to 9 million in 2015.<sup>79</sup> The increase in the numbers can't be questioned with no doubt. However, one note must be taken into account when emphasizing on the numbers and that is the fact that during the Taliban, the main means of education was the traditional religious schools' "Madrasa" and the Taliban not only expanded Madrasa's but also restricted access to the few schools remained from the communist government due to the claims that communists were weakening Islamic believes through school students. Girls were entirely banned and girls' schools shut down through the country. Hence, in this case also, even in the absence of the funds in the education sector, with removal of the Taliban's rule, school enrolment both for girls and boys would have increased considerably as the schools would have reopened and started operating. Because, even during the Taliban ban, in some parts, especially in Jaghory district of Ghazni province, some schools hiddenly had been operating.<sup>80</sup>

In addition, though the number of students increased stunningly, and thousands of schools made but minimum efforts have been put on providing quality education as according to several reports, schools have been built without teachers or other teaching facilities except the building

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<sup>78</sup> Stunning Progress or Implausible and Invalid: The Afghanistan Mortality Survey 2010? Center for Global Development, 2012. <https://www.cgdev.org/blog/%E2%80%9Cstunning-progress%E2%80%9D-or-%E2%80%9Cimplausible-and-invalid%E2%80%9D-afghanistan-mortality-survey-2010>.

<sup>79</sup> Raghav Sharma, et al. Education compromised? A Survey of Schools in Ten Provinces of Afghanistan, Integrity Watch Afghanistan, 2018. Website: [www.iwaweb.org](http://www.iwaweb.org).

<sup>80</sup> Author's own experience of knowing people who studied at those schools.

itself. There were some cases that a school has been built without power supply or schools that have been built in areas with minimum demand and population density, and remained unused.<sup>81</sup>

### **3.10 Large gaps between commitments, disbursements, and requirements**

There were two serious drawbacks on the reconstruction process which negatively affected the process as well as making it suspicious and too complicated for not only people of Afghanistan but for taxpayers in the donor countries. First, there were large discrepancies between the amount that donor countries pledged in various conferences, the amount that eventually got disbursed, and the amount that based on the planning of the Government of Afghanistan of Afghanistan, required for certain sectors to reach a predefined threshold. Usually, promises and commitments on providing fund made in conferences. At this stage, it was just a pledge and in several cases the pledges haven't been realized or delayed by the donor countries due to whatever reasons which is out of the scope of this study. However, since media reflected extensively on the conferences and the pledged amounts, public assumed the pledged amount for granted as disbursed. And this created public resentment and distrust on government and implementing agencies that despite the large amounts granted (pledged amounts) in the conferences, they could see minimal provision of reconstruction and aid funds in their communities.

The failure to realize commitments wasn't an issue in one period of the funding, but the gap persisted from start of the reconstruction in 2001 to 2016, the period with highest reconstruction and development aid flows. Until 2006, total donor commitments made in various conferences amounted \$29.801 billion while only 56 percent of this amount (\$16.639 billion) disbursed.<sup>82</sup> The

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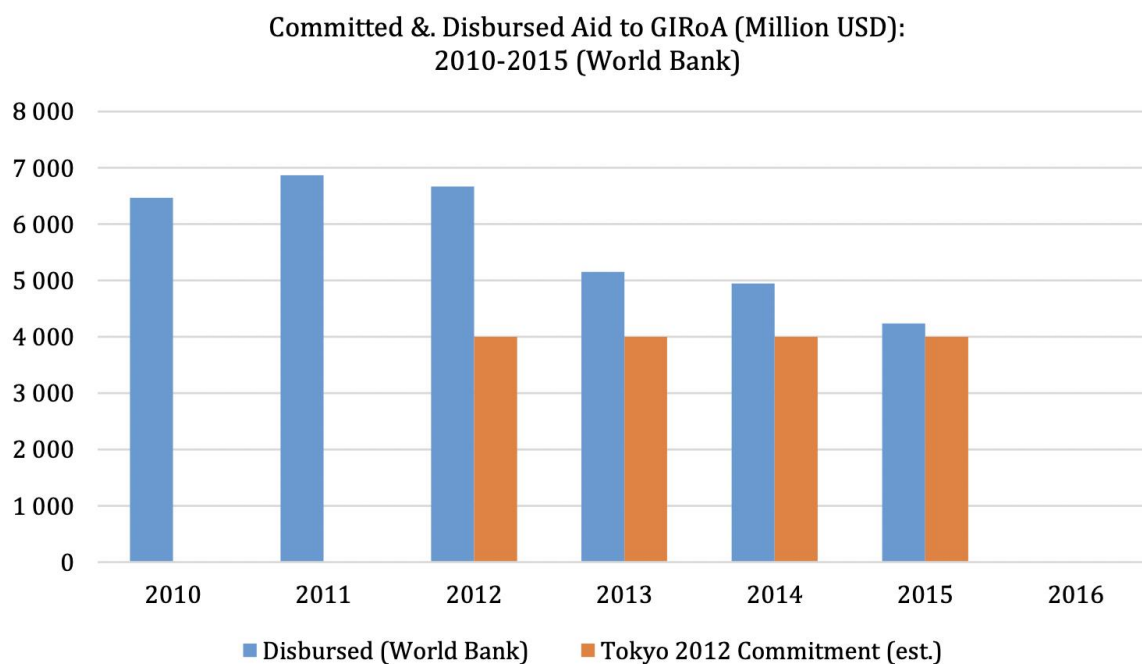
<sup>81</sup> Sharma, et al. Education compromised? 2018.

<sup>82</sup> Ritchie, Aid Effectiveness in Afghanistan, 7.

percentage of disbursed amounts of development aid from the pledged amount decreased to 40 percent in 2008.<sup>83</sup>

However, Discrepancies on the amounts pledged and the realization of the funds are an issue on which donors and Government of Afghanistan disagreed. For instance, a total amount of \$16 billion has been pledged by representatives of donor countries in 2012 in the Tokyo conference to provide for the period up to 2015. These pledges weren't only realized but as Figure 1 that is based on World Bank's Data shows that even the disbursed amounts exceeded the committed amounts.<sup>84</sup>

Figure 1: Committed and disbursed Aid to Government of Afghanistan from 2010-2015 (Million USD)



Source: Aid Effectiveness in Afghanistan (2018)

<sup>83</sup> No Aid Effectiveness in Afghanistan, International Budget Partnership (2008).  
(<https://internationalbudget.org/2008/04/no-aid-effectiveness-in-afghanistan/>).

<sup>84</sup> Oxfam, Aid Effectiveness in Afghanistan, Assess Transform Reach, (2018),26.

However, data that have been provided by the Government of Afghanistan's Central Statistics Organisation (GACSO) showed that amounts disbursed by donors didn't meet their pledges with large shortfalls every year from 2009 to 2016. Table 1 that is based on the data provided by the (GACSO) shows very low realizations. For instance, in 2009/10 Afghanistan's financial year, only 31% of committed amounts have been disbursed and in its next four consecutive years the disbursed amounts didn't exceed 65 percent of the pledges made.<sup>85</sup>

Table 1: Volume of committed aid vs disbursed aid from 2009/10 – 2016/17 according to the AGCSO (Million USD)

<b>Year</b>	<b>Committed</b>	<b>Disbursed</b>	<b>Percentage Disbursed</b>
2009/10	5,814	1,784	31%
2010/11	16,791	10,900	65%
2011/12	9,206	6,011	65%
2012/13	6,259	3,889	62%
2013/14	4,767	2,838	60%
2014/15	4,055	4,002	99%
2015/16	4,363	3,734	86%
2016/17	2,894	2,064	71%
<b>Total</b>	<b>54,149</b>	<b>35,222</b>	<b>65%</b>

Source: Aid Effectiveness in Afghanistan, 2018, p. 27

The gap between pledged and disbursed amounts can be traced at sectoral level as well. Among all sectors, security and transport received more than the estimated required funds but all remaining sectors received too less than it was required as well as the level of disbursements were much lower than the amounts that have been pledged. In 2001, health and social services

<sup>85</sup> Oxfam, Aid Effectiveness in Afghanistan, Assess Transform Reach, (2018), 27.

sectors required approximately \$451. Of this amount, \$290 million promised however, only \$154 (54 %) was disbursed. Likewise, for economic resources and management sector some amount of \$323 million have been estimated to be required. For this need, \$233 million committed and \$92 million disbursed.<sup>86</sup>

In addition to the large discrepancies, however, a more crippling factor on the poor result of reconstruction and development seems to be that in fact most of the funds haven't been spent in Afghanistan, neither on projects nor through supplies. In spite of large leaving large amount of money from the donor countries to Afghanistan, they haven't been spent there and channelled back to original fund providers through imports, contractors, and salaries of consultants. A report by the World Bank released in 2014 on the effectiveness of aid, opportunities as well as challenges ahead for post-2014 states that less 25 percent of the external budget had local content while this percentage was 70-95 percent for aid spent through core budget. As discussed in previous sections that since most of aid, more than 80 percent spent through external budget, thus it can be inferred that the local impact of aid has been too weak since the funds haven't had landed there but returned back.<sup>87</sup>

### **3. 11 False comparison or ambitious criterion**

During the US presence in Afghanistan when security situation and people's livelihood weren't improving satisfactory, in media and public discussions the case of Afghanistan has been compared with the European Recovery Act known as the Marshall. The apparently rationale of these comparisons were the high amount of spending and extensive involvement of the US in the process. Thus, frequently the question of why the US reconstruction plan succeeds in

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<sup>86</sup> Stephen Lewarne and David Snelbecker, *Economic Governance in War Torn Economies: Lessons Learned from the Marshall Plan to the Reconstruction of Iraq*, No. 2941-1729-0-P-01, Academy for Educational Development (2004), 101.

<sup>87</sup> Byrd, et al. *Afghanistan in Transition*, 22.



Europe while failed in Afghanistan used as a comparison criterion for analyzing the factors of failure/success.

However, the case of Western Europe in post-War II and Afghanistan in post-Taliban aren't comparable. These two cases have had distinctive features that should be analyzed within each one's unique contexts. First, the base from which the Western European countries started from in 1948 isn't comparable with the case of Afghanistan. Western European countries who have been covered by the Marshall Plan already were developed economies. For, instance, Germany's GDP in 1948 was 574 billion USD, while Afghanistan's GDP in 2001 was only five billion USD.<sup>88</sup>

Furthermore, the World War II damaged Europe's physical infrastructure, but these countries, despite incurring high casualties, human capital—skilled work forces and expertise were preserved among survivors which are much more essential elements in growth and development than physical resources, since developing human capacity is a time-consuming process. In addition, the historical context, geopolitical locations, social, and demographic differences also make these two cases incomparable. Therefore, in order to identify the causes that led to the failure in Afghanistan must be studied in its own context, and even comparing it with other developing war-torn countries is difficult due to its unique context.

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<sup>88</sup> Abid Amiri, *The Trillion-Dollar War: The US Effort to Rebuild Afghanistan, 1999-2021* (Virginia: Marine Corps University Press, 2021), 49.

## Chapter 4

### 4.1 Conclusion

Afghanistan experienced a long period of economic and political instability. In 1979, the Soviet Union invaded and the dispute between communist government backed by the Soviet Union and Mujaheding supported by Pakistan, Britain, and the United States persisted till 1989. Upon withdrawal of the Soviet Union in 1989, though the communist government survived till 1992 despite encounters with Mujahedin, the country went into a civil war in 1992 when different groups of mujaheding couldn't agree on establishing a unity government. The war continued until the Taliban took over major cities in 1996 and controlled almost 90 percent of the country till 2001 when they have been toppled by the United States upon 9/11 attacks.

With the fall of the Taliban, establishment of new government, and approval of new constitution, donor countries, mainly the US pledged funds in forms of grants and loans along with technical assistance to stimulate economic recovery and foster political stability. Despite significant achievements made in some indicators such as school enrolment, growth rate, disease control and decreased child mortality in the initial years, but the overall reconstruction process didn't progress successfully. In 2004 the security situation started deteriorating when the Taliban started returning to fight against international and national military forces. The situation continued worsening until the government collapsed in 2021 and the Taliban again took control of the country.

During the 20 years, huge human and financial costs incurred by Afghanistan, US, and NATO members. Thousands of international and national security forces and civilian killed and wounded. Additional to funds and security assistances, donor countries provided technical supports to government of Afghanistan to improve its financial and human capacity. However,

despite all those efforts and costs, achievements made were far below goals set at the start of the process. From policy perspective, this was a huge failure and waste of resources that investigating its possible causes is of high importance for sound policies.

Our analysis showed that a set of factors had contributed to the mismanagement of the reconstruction process. Spending high amount of funds directly by donors out of government budget has been one of them which have had led to emergence of parallel states, undermining the national government, and alienating it to citizens. The parallel state that has been created by donor agencies and NGOs also depleted the government from professional resources due to huge wage gap. Additionally, development projects have been split to numerous projects contracted with subcontractors that provided opportunities for misuse of funds and making monitoring and evaluation difficult. Furthermore, donor countries and the government of Afghanistan hadn't developed a consensus on the priorities and modality of aid spending that made off-budget spending's misaligned to governments' priorities.

More importantly, the deterioration of security, large reconstruction funds spent through military channels in insecure areas for what was called "winning hearts and minds" of local people against the Taliban, but it turned out that this policy had counterproductive results that escalated further security incidents while in this process the secure areas have been overlooked. Additional to these issues, the funds have been pledged by donor countries in conference not fully disbursed, leaving, and large gaps between committed and disbursed funds that had created suspicions and mistrusts between government and citizens. These have been the main policy flaws that collectively had contributed to the ineffectiveness of the reconstruction process. Future research can delve into each of these issues with detailed investigations which is out of the scope of this paper.

## 4.2 Policy recommendations

Countries, and even different regions within a country have different contexts which are highly influential in the success of development and reconstruction projects. A model of development intervention that has been effective in one context doesn't necessarily succeed in another context. Therefore, before fund provision and project implementation, target areas with respect to their culture, religion and historical context must be studied comprehensively and then development projects be provided in a way that the target community easily receives it without any fear of being influenced. Meanwhile, it is also important that the management of the process be handled by domestic and local actors especially in religious societies such as Afghanistan. The fund provider must act as an assistant who consults and provide technical and expertise. The fund provider also must consider strict evaluation and monitoring measures followed by compensations and punishments. As without serious follow up procedures, aid funds will end up beneficial only to managers and implementers not to target communities. Considering our analysis of the case of Afghanistan, the following consideration in policymaking for similar case in the future are recommended:

- What brings a change in a community is the quality of a project not the amount of the fund for the project. In case of Afghanistan, almost in all aspects, what was emphasized on was reaching certain threshold of quantity. For instance, in education sector the number of schools, in health the number of clinics, and in security the number of soldiers have been the target, not the quality of education, the services provide in those clinics and the training and procurement of the soldiers.
- External spending without intervention of the government must be avoided as more as possible. If the government's absorption is low, it would be better to to help build its capacity in a longer term gradually instead of flooding it with money and then suddenly

leaving it depleted from funds. However, fund provision to government must be conditional on transparency and accountability to prevent corruption.

- Ad-hoc and rush on spending and getting quick results must be avoided. Development, growth, and improving human capital can't be achieved overnight. Instead of spending billions of dollars in a short time that saturate recipients and provide corruption opportunities, the funds must be pooled over to a long-term program with careful implementation followed by evaluation and reconsideration.
- Funds and projects must be distributed fairly through the country. Provinces and certain regions of the country must not be overlooked as this undermines the very basic goal of development projects.
- A considerable amount of fund be allocated for research and development as without data, evaluation, finding drawbacks and a making a projection is impossible.

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