



Afghanistan Report 2009

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Foreword

The International Community, including NATO, is helping the Afghan Government enhance security, improve governance and step up reconstruction and development. Progress in all three areas is essential in helping Afghanistan establish itself as a secure, stable country that poses no threat to itself or the International Community.

This is the second Annual Report on Afghanistan produced by NATO's Public Diplomacy Division. It does not attempt to catalogue each and every activity being carried out by all international actors, individual nations and the Afghan Government. It does, however, offer a general look at progress in each of the three main lines of effort in which NATO-ISAF is involved, directly or in a supporting role: security, governance and development. And it goes beyond setting out only what NATO-ISAF has done; it attempts to provide the reader with a broader and more balanced picture, including both elements of progress and those areas in which more needs to be done.

The conclusion we draw from this report is simple: while the challenges in Afghanistan remain huge, so is the international will and the international effort to help the Afghan people overcome them. A strong foundation is being built – more slowly than we would like, but steadily – for a better, more secure future for the Afghan people, including through this year's Presidential elections, the second after the fall of the Taliban.

James Appathurai

NATO Spokesman

Jean-François Bureau

Assistant Secretary General
for Public Diplomacy

Executive summary

In 2008, the United Nations-mandated International Security Assistance Force (ISAF), led by NATO, continued to support the nascent Afghan National Security Forces (ANSF) in the provision of security throughout the country. The overall security picture in 2008 was mixed. Violence rose sharply in parts of the South, South-East and South-West, leading to a significant overall increase in casualties from 2007. However, large parts of the North, Centre and West of the country continued to be relatively stable. The ANSF grew in strength and capability and Afghan forces assumed responsibility for security in the Kabul area for the first time. ISAF force levels increased significantly and will continue to do so in 2009. Improved relations between the Afghan Government and the newly-elected Pakistani Government was matched by improved military coordination along the border leading, near the end of the year, to decreasing cross-border support for the insurgency in Afghanistan.

The capacity of the Afghan Government at the national, provincial and district levels remains limited and suffers from corruption. Continuing insecurity, criminality and, in places, the influence of the narcotics trade further impede efforts to improve good governance. Despite these challenges, the Government has made progress in extending and establishing its presence across the country. International donor-funded programmes are helping to develop the capacity of state institutions, including the civil service, reform at the central and sub-national levels, broad-based efforts to strengthen the country's judicial system and counter-narcotics capabilities. At the local level, initiatives run by the Government, notably the Independent Directorate of Local Governance (IDLG), to improve the links between central and local authorities are taking shape.

Afghanistan remains one of the poorest countries in the world but steady progress from this low base continues to be made. GDP continues to rise quickly (estimated 7.5% in 2008) and trade with Afghanistan's neighbours has increased significantly. International support for the redevelopment of Afghanistan was invigorated at an International Conference held in Paris in June 2008 where more than 80 donors pledged 21 billion USD. Furthermore, the donors aligned themselves with the priorities set out by the Afghan Government in the Afghan National Development Strategy (ANDS), officially launched in June 2008 – a demonstration of growing Afghan capacity to guide its own future.

In 2009, Afghanistan faces the important democratic milestone of Presidential and Provincial Council Elections in August, set against the backdrop of continuing challenges in the security, governance and development fields. The International Community, including the NATO-led ISAF, will step up its support to the Afghan Government and people in this challenging year, including through a better-coordinated Comprehensive Approach.

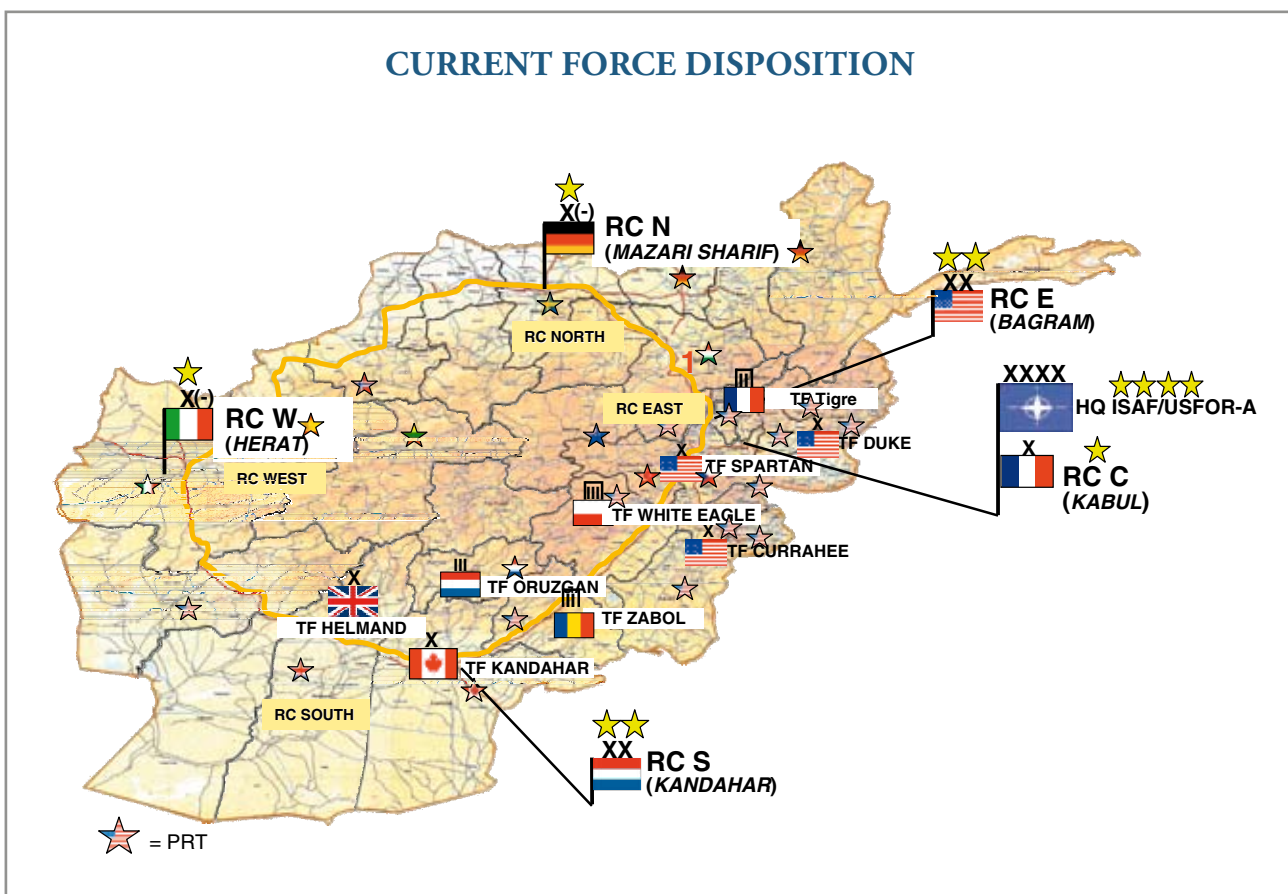


Security

Effective governance and economic and social development need time and space to take root. To this end, NATO-ISAF's primary role in Afghanistan is to support the Afghan authorities in bringing peace and security to the people.

The security picture in 2008 was mixed. Violence rose sharply in parts of the South, South-East and South-West as militants and criminals stepped up their efforts to limit the reach of the Government. This led to a significant increase in both civilian and security forces casualties, as well as the militants themselves when compared to 2007. Attacks against Afghan civilians and the International Community using Improvised Explosive Devices (IEDs) caused the greatest loss of life, while insurgents increasingly targeted isolated and vulnerable Afghan National Police (ANP) facilities, resulting in a significant rise in police fatalities. Furthermore, instability in Pakistan allowed insurgents to use safe havens from which to mount attacks across the porous border into Afghanistan.

However, the increased violence remained largely concentrated in the same areas as 2007. Substantial parts of the North, Centre and West of the country continued to be relatively stable. Afghan National Security Forces (ANSF), growing in strength and capability, took the lead role in providing security in Kabul Province, which showed a marked decrease in violence despite some high profile attacks. ISAF force levels also grew significantly in 2008. ISAF deployed additional ground forces to the South and East of the country to support the ANSF in exerting control over areas where previously insurgents had influence. Despite the continuing challenge of cross-border incursions from Pakistan, improved relations between the Afghan and the newly-elected Pakistani Government was matched by improved military coordination along the border between the two countries. Near the end of the year, a coordinated security operation on both sides of the border showed positive results against the militants.



An ISAF Marine and an Afghan policeman complete a joint patrol in Garmsir district, following clearance operations.

GARMSIR DISTRICT – VIOLENCE DOWN 43%, 2007-2008

The United States 24th Marine Expeditionary Unit (24th MEU), serving with ISAF, launched operations in Garmsir District on 28 April 2008. After four days the Marines had taken the main north-south route east of the Helmand River and continued to capture positions. During the initial phase of the operation the Marines opened the previously denied routes through Garmsir District to the economically vital Helmand green zone.

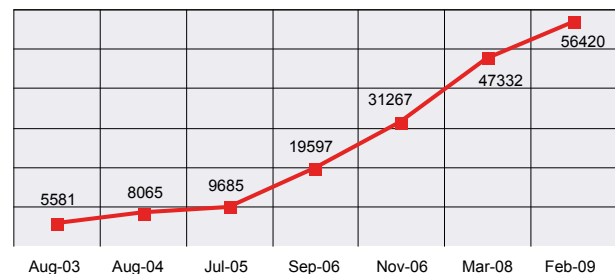
Following a month of intense fighting, the Marines transitioned to stability operations. They maintained a stable environment through active patrolling, which became joint patrols as ANSF established a presence in the area. The new security environment enabled Afghan citizens to return to the homes from which they had been displaced two years earlier by the insurgents. To help repair structures damaged by fighting, ISAF disbursed 823,000 USD to local Afghans.

Local citizens were also able to re-open the Garmsir District bazaar and hospital and held their first shura in nearly three years. Local authorities evaluated the canal system for repairs, dug more wells, repaired schools and organised flea markets and livestock auctions that were well attended.

Expanding Security

ISAF increased in size from approximately 43,000 troops in February 2008 to 56,000 in February 2009. This meant more troops in more areas that previously had little or no regular security presence. The consequence was actually more fighting as militants were pushed away from some of the more densely populated areas, such as in Musa Qala and Garmsir Districts in Helmand Province

Increase in ISAF troop levels



Early in 2009 ISAF began strengthening its presence in the East and Centre of the country. Significant additional combat capabilities provided by the United States are contributing to a stronger ISAF presence in key areas. One brigade combat team has already deployed to Logar and Wardak Provinces to improve security around the ring road south and east of Kabul. A US Combat Aviation Brigade, a Marine Expeditionary Brigade and a Mechanised Stryker Brigade will be deployed to areas of high insurgent activity in the South and South-West of the country.

The deployment of a French Battle Group to Kapisa Province, further improved security in the central region near the capital.



French ISAF troops push into the Tagab valley in Kapisa Province.

TASK FORCE (TF) KAPISA – FRENCH OPERATIONS IN KAPISA

Six hundred and fifty French troops deployed to Kapisa Province within Regional Command East in the summer of 2008. Their role has been to strengthen ISAF capabilities in a key access area to Kabul. The French soldiers are committed to implementing an integrated approach through:

- Securing roads to ensure freedom of movement;
- Disrupting militant activities and networks and driving the insurgents back to the end of the valleys;
- Supporting the ANA by helping it establish several outposts and an important base in the South of the province;
- Establishing solid relationships with village elders and responding to the population's most urgent requests, including medical care. Seven hundred adults and 400 children were treated in the first 6 months of the TF presence;
- Supporting civil development projects led by PRTs and the UN in a secure environment.

As a result of TF Kapisa/ANA coordinated operations, ISAF has reported declining insurgent activities in the area. In parallel, security improvements are allowing for the development of significant infrastructure programmes, such as the American PRT-led project of a major road across Kapisa. (Source: French MOD)

Security Support to Free and Fair Elections

The 2009 Presidential Elections will be another important milestone in the development of Afghanistan's constitutional democracy. Voter registration has been conducted efficiently and successfully by the Afghan authorities with the support of ISAF. With almost 4.4 million newly registered voters, preparations are well underway for the election later this year.

Security for these elections will be provided first and foremost by the ANSF. The first line of security will be the ANP, with the second line of security provided by the ANA. For its part, ISAF will provide third line support. The process for generating temporary additional troops for this purpose is ongoing.

Respect for the Afghan Civilian Population

Insurgents account for 80% of the total number of civilian casualties in 2008, with 973 people killed – primarily in IED attacks – as opposed to 236 as a result of military operations by international forces. It is important to see these figures in the context of an overall 33% increase in security incidents, a 37% growth in ISAF strength, and a 31% increase in the number of ISAF/ANSF offensive operations. Insurgent IED attacks, which were up 27% in 2008 over 2007, continue to be the largest single cause of civilian casualties.

The number of civilian casualties caused by international forces has always been, and remains, a serious concern for NATO's political and military leadership. In November 2008, ISAF Commander issued a new, detailed and reinforced direction to his subordinate commanders with specific instructions for minimising the risk to the civilian population and any possible offence to Afghan culture. The directive guides ISAF forces on the use of close air support, escalation of force procedures, house searches, reporting, and joint investigations.

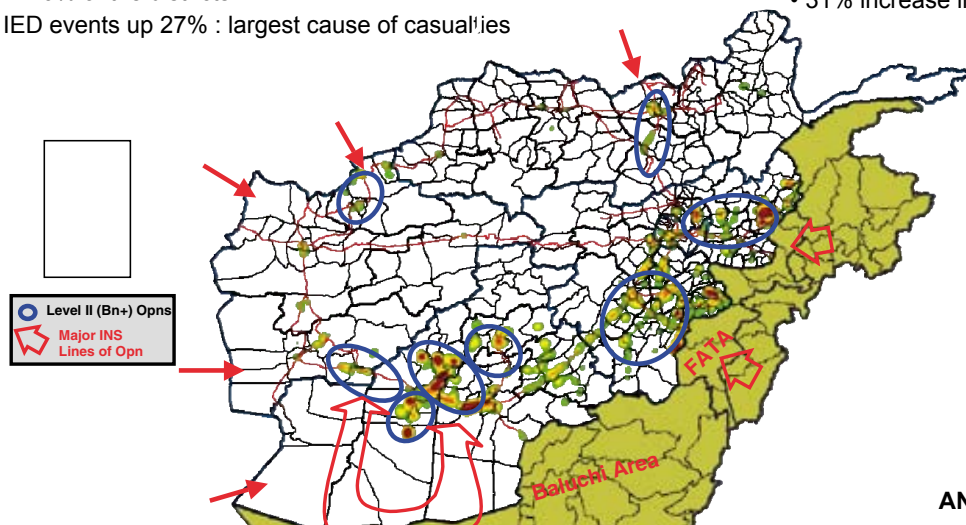


British ISAF soldier talks with Afghan children. Respect for the Afghan people, culture and religion is the guiding principle of all ISAF personnel. (© UK MoD)

SECURITY SUMMARY

- > 33% increase in security incidents
- > 70% of security incidents continue to occur in 10% of the districts
- > IED events up 27% : largest cause of casualties

- 37% increase in ISAF force strength
- 28% increase in ANSF force strength
- 31% increase in offensive operations



- Civilian Casualties: up 40% - 56%
- ISAF/OEF Deaths: up 37%
- ANSF Deaths: up 6%
 - ANPs suffer 3x more casualties than ANA/ISAF
- 124% more attacks on GIRoA
- 50% more kidnappings/assassinations

ANSF

- ANA: 13 more Kandak/Battalion formed
46 Kandaks capable of Battalion Ops
- ANP: 52 districts undergoing FDD
13 of 20 ANCOP Battalions fielded

As of: 3 Jan 09



TACTICAL DIRECTIVE

To minimise the risk of harming civilians and reduce behaviour which offends Afghans, COMISAF has revised his Tactical Directive:

- To partner with ANSF in all ISAF operations;
 - To make no uninvited entry into an Afghan house, mosque, historical or religious site unless there is a clear and identified danger;
 - To demonstrate respect and consideration for Afghans, their culture, their customs, and Islam;
 - To avoid insults, offensive gestures, unnecessary pointing of weapons, and reckless driving;
 - To demonstrate proportionality, restraint, and utmost discrimination in the use of firepower - making greatest possible use of precision systems;
 - To acknowledge civilian casualties immediately and transparently investigate allegations rapidly;
 - To ensure a common approach is taken across the country;
- When taking fire from an Afghan house, on-scene commanders must satisfy themselves that every effort has been made to confirm that the Afghan facility does not shelter innocent civilians.

To establish a transparent methodology of civilian casualty reporting, COMISAF:

- Established a civilian casualties tracking cell monitoring incidents;
- Systemised recording of allegations as well as resulting rebuttals and admissions;
- Developed a two-tiered system of checking the validity of an allegation and conducting the actual investigation if the allegation was substantiated;
- Enhanced battle-damage assessments at Regional Command level;
- Defined modalities for improved ISAF HQ interaction with UNAMA and other national and international organizations on casualty reporting.

Reducing the Cross-Border Threat



ISAF Commander, General David McKiernan, Pakistani Chief of the Army Staff, General Ashfaq Pervez Kayani (centre), and ANA Chief of the General Staff, General Bismullah Khan Mohommadi (right), after a meeting of the Tripartite Commission at the Afghanistan Ministry of Defence in January 2009.

Militants have exploited instability in Pakistan in order to set up and maintain safe havens away from the reach of ANSF and ISAF. Across the border, militants regroup and launch attacks, particularly into Eastern Afghanistan. According to reports from ISAF commanders, there were significantly higher levels of cross-border incursions from Pakistan into Afghanistan in early and mid 2008.

To counter this cross-border activity, ISAF and the ANSF have increased their cooperation with the Pakistani military. This included joint operations to deny the free flow of militants across the border. ISAF and the Afghan and Pakistani militaries coordinate operations through regular meetings of the Tripartite Commission and the Tripartite Joint Intelligence Operations Centre (T-JIOC). The Commission is complemented by enhanced regular coordination between the military forces of the three organizations in the proximity of the border.



The Khyber Pass is the most important mountain pass linking Afghanistan to Pakistan.

While the terrain along the northern border makes it extremely difficult to completely cut off transit routes, cooperative operations between the US, international forces, ANSF, and the Pakistani Military can have a significant positive impact on defeating the insurgency. In the past, when ISAF had launched offensives near the border, the Taliban and their allies simply slipped over the border into Pakistan and when the Pakistani army had pushed into its border tribal regions, militants crossed into Afghanistan. However, this year has seen far better levels of cooperation between ISAF, the Afghans, and the Pakistani Military, culminating in a coordinated operation in Kunar province of northeast Afghanistan and Pakistan's adjacent Bajaur district.

ISAF Liaison Officer, Regional Command East.

Following the opening of the Khyber Pass Border Coordination Centre (BCC) in the Torkham area in March 2008, two additional BCCs are currently being constructed in Lawara (Paktika) and Nawa Pass (Kunar) and should reach full operational capability in 2009.

At the political level, NATO is expanding its contact with Pakistani authorities to encourage greater cooperation and to increase efforts to deal with the militant threat in Western Pakistan.

An ANP officer keeps a watchful eye on traffic as an Afghan soldier searches a vehicle at a border check point near Duahb, Kunar Province, in June 2008.

An ISAF soldier talks with an ANA soldier and a Duahb village elder at a check point adjacent to the border with Pakistan.



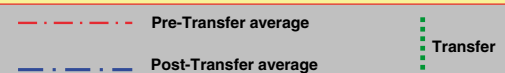
Supporting the ANSF

An important step in strengthening Afghan Government leadership in 2008 was the transfer of lead responsibility for security in the Kabul Province from ISAF to ANSF control.

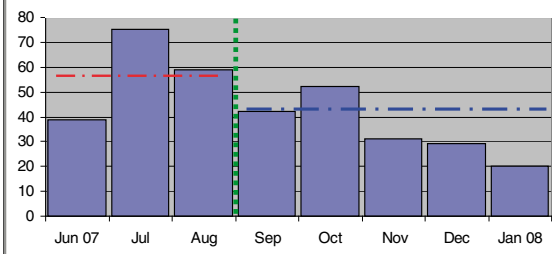
AFGHANS TAKING RESPONSIBILITY FOR SECURITY IN KABUL

- 31% of Kabul residents believed security has improved from June to Dec 2008. Only 10% thought security has deteriorated (ANQAR¹).
- Recorded incidents / reported crime reduced after the transfer of responsibility.
- ANSF casualties in Kabul dropped 61% in 2008.

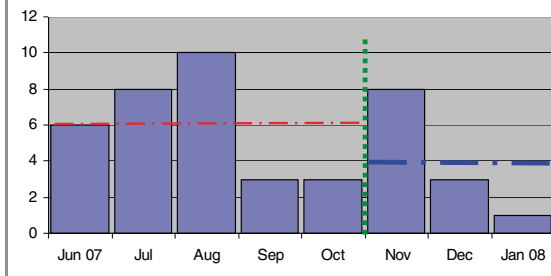
¹Afghan National Quarterly Assessment Report



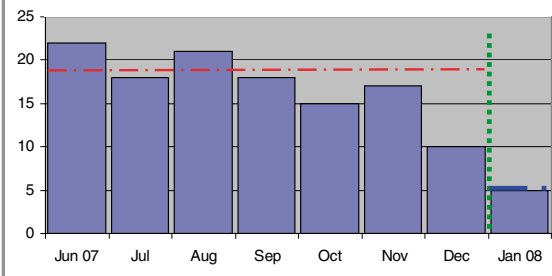
Phase 1 - Kabul City - 31 Aug 08



Phase 2 - Northern Districts 31 Oct 08



Phase 3 - Southern Districts 31 Dec 08

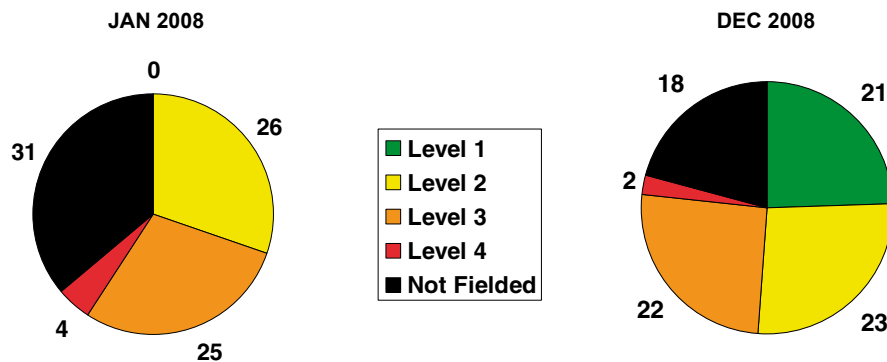


Securing and expanding such positive developments requires the enduring presence of sufficiently well-trained Afghan security forces. Last year, the Joint Coordination Monitoring Board (JCMB) approved the increase of the ANA total strength from 82,180 to 134,000 by 2013. The efforts of the United States-led Combined Security Transition Command-Afghanistan (CSTC-A) have enabled the constant growth of the ANA. Since 2007, 26,000 new personnel have been trained each year and another 28,000 are foreseen for 2009. As a result, the Afghan Defence Ministry's ANA fielding acceleration plan now advances the full-sized ANA fielding target date to December 2011.

A soldier from a German OMLT and an ANA soldier during a joint patrol in Mazar-e-Sharif.

ANA PROGRESS FROM JAN 08 TO DEC 08

Battalion / Kandak Level Capabilities



Key Points:

ANA fielding: From Jan 08 to Dec 08, 13 new Battalions were fielded (Include Infantry, Combat Support, Combat Service Support and Commando Bns)

ANA manning: ANA personnel assigned to ANA land combat forces increased from 31,342 in Jan08 to 44,051 in Dec08
ANA total personnel assigned increased from 49,452 in Jan08 to 67,263 in Dec08

ANA capabilities:

- 21 Battalions reached Capability Milestone Level 1, being able to plan and execute operations at Battalion level with no external support for organic functions
 - 23 Battalions reached Capability Milestone Level 2, being able to plan and execute operations at Battalion level with external support
 - 22 Battalions reached Capability Milestone Level 3, being able to plan and execute operations at Coy level with external support
 - 2 Battalions reached Capability Milestone Level 4, fielded but not capable to plan and lead operations
- ANA led operations increased from 49% in Jan08 to 62% in Dec08

According to CSTC-A, over half of ANA units are now capable of leading operations, or have reached full operational capability. As a result, 62% of operations nation-wide in 2008 were ANA-led.

By December 2011, the ANA will consist of 21 brigades: 18 infantry brigades; one mechanised brigade; one headquarters security support brigade; and one commando brigade organised into five corps and one capital division¹.

ISAF's efforts to support this accelerated process are mainly provided by Operational Mentor and Liaison Teams (OMLTs²). These mentoring teams are fielded by NATO Allies and partners. As of mid-March 2009, NATO-ISAF has 52 OMLTs fielded. The higher ANA ceiling requires an increase in the ISAF OMLT commitment from 62 to 84 OMLTs by December 2010. Until then, the United States' Embedded Training Teams (ETTs) – equivalent to NATO-ISAF OMLTs in nature and scope – will continue to fill the gaps. Filling the shortfalls will accelerate the development of a fully independent and operational ANA.

An ISAF soldier from a French OMLT monitors soldiers of the ANA during a joint patrol.

¹ ISAF SCR/Strategic Advisory Group ANA Status Report 2009.

² Teams of between 20 and 40 military experts embedded with ANA units to hone basic operational skills and professionalize the Afghan units.



Another key component of NATO-ISAF support to the ANA is provided through the NATO Equipment Support Programme and the related ANA Trust Fund. This fund was recently broadened to include support for ANA sustainment.

Currently, the ANA is transitioning from its Warsaw Pact weaponry to NATO-standard weaponry, scheduled to complete in 2009.



An ANA soldier watches as a Mi-24 attack helicopter is unloaded at Kabul in February 2009. The helicopter is the last of 12 transport and attack helicopters donated to the ANA by the Czech Republic.

ANA EQUIPMENT DONATION

Bulgaria	mortars and ammunition
Canada	small arms, ammunition and equipment
Czech Republic	helicopters
Estonia	small arms and ammunition
Finland	field telephones and generators
Germany	blankets, clothing and equipment
Hungary	small arms and ammunition
Lithuania	ammunition
Luxemburg	body armour and helmets
Montenegro	small arms and ammunition
Slovenia	small arms, mortars and ammunition
Switzerland	fire trucks, spares and training
Turkey	howitzers and ammunition, clothing and military academy supply

Further offers of equipment are under consideration by: Bulgaria, Czech Republic, Denmark, France, Greece, Latvia, Norway, Poland and the United Kingdom.

ANA TRUST FUND

The ANA Trust Fund was established in early 2007 to cover transportation and installation costs of donations when nations are unable to fill this requirement. The expansion of the scope of the ANA Trust Fund was approved by the North Atlantic Council (NAC) in March 2008. The decision provides NATO-ISAF nations with more flexibility to support the ANA. As of February 2009, contributions amounted to over 18.5 million euros.

During the October 2008 Budapest Defence Ministerial the Afghan Minister of Defence requested that NATO expand the existing ANA Trust Fund with the aim of further supporting the sustainment of the ANA (complete logistics packages, food, salaries etc.). The Council has decided to broaden the existing ANA Trust Fund to include support for ANA sustainment. The broadened Trust Fund will exist for 5 years, after which the decision will be reviewed. The Trust Fund should be the main conduit for channeling funds from the International Community to the ANA.

A key to the enduring effectiveness of the ANA will be the mobility of the force. Development of a robust and capable Afghan National Army Air Corps (ANAAAC) has been intensified, with some notable successes. In particular, the ANA demonstrated speed and agility in the rapid deployment of an ANA Kandak (battalion) using ANAAAC assets from Kabul to Kandahar in the immediate aftermath of the prison break in June 2008.

ANP officers graduate from their training course in Kabul in June 2008.

Insurgent attacks against vulnerable government targets increased in 2008, in particular against remote police checkpoints and district centres with a minimal Afghan National Police (ANP) presence. The ANP has suffered more than 60% of all security force casualties since 2007³.

The development of the ANP continues to lag behind that of the ANA. The ANP remains vulnerable to accusations of corruption and inefficiency and, for those reasons, does not currently enjoy the broad confidence and support of the population needed to improve the security environment.

Afghan soldiers disembark a transport plane at Kandahar International Airport after an operation aimed at securing the Arghandab District, in June 2008.

THE AFGHAN NATIONAL ARMY AIR CORPS (ANAAAC)

The establishment of the ANAAAC is an important milestone in increasing the ANA's capability to operate independently. It provides trained and ready airmen and soldiers to execute critical tasks in support of the ANA and, when directed by the Ministry of Defence and General Staff, to support the civil authorities of Afghanistan at all levels.

Thanks to US-led training and investment, as well as other national contributions⁴, the ANAAAC is now able to share some of ISAF's air support burden, in particular flying 90% of ANA air support missions in 2009 (as opposed to 10% in early 2008).

The ANAAAC demonstrated its value on 16 June 2008, during the operation aimed at retaking the Arghandab District of Kandahar Province from insurgents' control. The ANAAAC was able to move 910 soldiers and 12,300 kg of cargo from Kabul to Kandahar within less than 24 hours. All soldiers were flown back by 22 June 2008.

Since then the ANAAAC has carried out a number of missions, particularly as part of ISAF's Intra-Theatre Airlift System, which moves cargo and troops across Afghanistan.

The ANAAAC's capacity is planned to grow until 2016, when it should reach full operational capability with some 7,000 personnel and 129 fixed- and rotary-wing aircraft.

³ Security Metrics, SHAPE, October 2008.

⁴ Canada, Czech Republic, Hungary, India, Turkey, and the UK.



*ANP officers and Canadian soldiers
from the Kandahar Provincial
Reconstruction Team (KPRT) on
a foot patrol in Kandahar city.
(© Canadian MoD)*

Given this background, the Afghan Government has taken a number of measures in 2008 aimed at boosting its own and the International Community's efforts to tackle these shortcomings. The launch of the Afghan National Development Strategy (ANDS) in June 2008 and the subsequent Ministry of Interior police reform are two important steps in establishing robust and capable police forces. In addition to raising the ANP ceiling to 82,180, several high-level priorities have been identified:

- To accelerate and expand existing training programmes;
- To re-align ANP salaries and benefits with ANA levels as a means to fight corruption and desertion;
- To strengthen ANP full integration into local institutions;
- To reinforce ANP and ANA cooperation and complementarity.

Action has since been taken by the Afghan Government to raise ANP salaries and benefits and strengthen the ANP presence at the district level, through the Afghan Social Outreach (ASOP) and Afghan Public Protection Force (APPF) programmes.

The International Police Coordination Board (IPCB⁵) reflects the Afghan Government's policing priorities. The European Union Police mission (EUPOL) and CSTC-A are the principal partners supporting ANP capacity-building. While the former focuses on assisting the Interior Ministry with the development of effective law and order institutions and policies, the latter concentrates on more tactical issues, including police support, training and equipping. CSTC-A's Focused District Development (FDD) strategy has achieved significant successes through a systematic retraining programme for all police officers in selected districts.

Assisting the ANP is one of ISAF's key supporting tasks. This mainly consists of the provision of niche training of non-police specific skills (such as counter-IED training), mentoring, and joint patrolling. Much of this assistance is provided through the regional security committees and the regional operations coordination centres. These are manned jointly by the ANA, the ANP and ISAF. ISAF ensures that the CSTC-A Police Mentoring Teams (PMTs) at district level are integrated into regional command arrangements.

Today, the ANP stands at 76,000 forces out of a total authorised strength of 82,180.

⁵ IPCB's members include EUPOL, UNAMA, NATO, LOTFA and CSTC-A.

Public Perceptions

Maintaining public support is critical for international and government forces if security is to be increased across the country in a sustainable manner.

According to The Asia Foundation's 2008 Afghan Opinion Survey, views on the Government's effectiveness differ by region⁶. The survey showed respondents in the North, West, Central and parts of the East of the country citing improved security as a positive indicator of national progress. Respondents in the South-West, South-East and Kabul central regions reported a degradation of the security situation. High-profile attacks in Kabul, increased criminality, and the targeting of poorly-protected government outposts contributed to decreased confidence in the government.

Independent surveys do show, however, that Afghan citizens do not want the Taliban to return to power. According to the BBC/ARD/ABC poll only 4% of Afghans would rather have the Taliban in power today, while 82% support the current form of government. Furthermore, a large majority of Afghans continue to support their Government's overall efforts, and agree that a strong international military presence is necessary for the time being. This sentiment is supported by the Asia Foundation survey in which 86% of Afghans believe the ANA helps improve security. The survey also found that 69% believe the ANA is not yet ready to operate and secure the country without the support of international forces.



Afghans in discussion.

⁶ TAF Opinion Survey, October 2008.



Governance

*There can be no government without an army,
no army without money, no money without prosperity,
and no prosperity without justice and good administration.*

Ibn Qutayba, a notable 9th Century Islamic scholar,
in the “Circle of Justice” (daira-yi ‘idalat),
also quoted in the Afghan National Development Strategy (ANDS).

In December 2001 the Bonn Agreement⁷ provided the constitutional blueprint and the institutional framework for Afghanistan to build a state. Decades of conflict, a nearly non-existent national infrastructure, high levels of illiteracy, endemic poverty and chronic underdevelopment place Afghanistan 174th out of 178 countries on the UN Human Development Index. The Bonn Process provided for a Constitution, an elected President and Parliament and the beginnings of a functioning government. In early 2006, the Afghan Government and the International Community came together in London to develop a strategy for Afghanistan's recovery⁸. The result was the ANDS which aims to create and develop effective national, provincial and district government institutions capable of delivering basic services. It is a long-term and challenging task that has produced mixed results so far.

An ANP officer discusses with villagers. (© French MoD 2009)

NATO's role in this context is to help build Afghan National Security Forces (ANSF) capacity as an essential element of good governance. ANSF and ISAF are working to provide the security necessary to allow for economic and social development to take root. At the local level, ISAF's Provincial Reconstruction Teams (PRTs) support capacity-building activities and programmes by providing mentors and training, and by facilitating effective linkages between the development community and the Afghan authorities.

*ANA soldiers and ANP officers discuss with villagers
in the Uzbin Valley in Surobi District.*

⁷ The Bonn Agreement inaugurated the Afghan Interim Authority and laid out an initial plan for governing the country.

⁸ Agreed at the London Conference (01 February 2006), the Afghanistan Compact defines the principles of political cooperation between the International Community and the Government of Afghanistan for the period of 2006 to 2011.



Afghan people participate through a Shura (assembly) in the political life of their country.

Helping to build good governance and effective institutions has proven challenging. The Afghan Government's capacity is limited because of inadequately educated, trained and paid staff that have limited capabilities and who are vulnerable to corruption. Ministries have insufficient capacity to extend effective authority to the provinces and districts. At provincial and district level, local administrations suffer from the same problems.

Continuing insecurity, criminality and, in places, the pervasive influence of the narcotics trade further impedes efforts to improve good governance.

Despite these challenges, the Afghan Government has made progress in extending and establishing its presence, even in remote parts of the country. The BBC/ABC/ARD survey showed 67% of Afghans polled believed that the presence of the central government in their local area was significant⁹. The same poll revealed similar opinions about provincial authorities and local police¹⁰. The majority of the respondents rated the Taliban presence as minimal. No survey of Afghan opinion suggests any appetite for the return of a Taliban Government.

⁹ BBC/ABC/ARD Afghan Opinion Survey: Presence of Central Government – very strong – 26%, fairly strong – 41%.

¹⁰ BBC/ABC/ARD Afghan Opinion Survey: Presence of Provincial Government – very strong – 25%, fairly strong – 44%; and local police – very strong 29%, fairly strong – 44%.



National Level

The most important contribution we can now make to Afghanistan is a massive and coherent institution-building programme. Institution-building does not provide occasions for ribbon-cutting ceremonies or photo opportunities. But it is the key to enabling Afghanistan to stand on its own feet – and to any international exit strategy.

Ambassador Kai Eide, Special Representative of the UN Secretary General, March 2009

Since the Bonn Agreement in 2001, the International Community's efforts have focused on developing government institutions that are effective, credible and capable of delivering basic services to the population throughout the country. At the national level, the Afghan Government and the International Community continue to cooperate on strengthening the cross-cutting and core capabilities of the State as defined by the ANDS.

Governance

The United Nations Development Programme (UNDP) has a pivotal role in helping establish viable governance structures. Many major programmes aimed at state-building, democracy and civil society empowerment come under the UNDP umbrella, and are coordinated by the Joint Coordination and Monitoring Board (JCMB)¹¹. Programmes include civil service capacity building and reform at the central and sub-national levels, financial accountability, communications development/information management within ministries, and strengthening the country's judicial system and counter-narcotics functions.

¹¹ The JCMB is a coordination body for the implementation of the Afghanistan Compact consisting of representatives of the Afghan Government and the International Community (IC). It provides direction to address issues of coordination, implementation and financing for the benchmarks and timelines of the Compact and reports on the implementation.



Afghan women parliamentarians are playing an increasing role in strengthening governance throughout Afghanistan.

PROGRAMMES TO STRENGTHEN GOVERNANCE

There are several programmes currently in place to help strengthen governance, including:

- Enhancing Legal and Electoral Capacity for Tomorrow (ELECT provides, amongst other things, capacity building to the Independent Election Commission);
- Support to the Establishment of the Afghan Legislature (SEAL supports the development of a more effective Afghan Parliament by strengthening its legislative, oversight and representative capacities);
- Capacity for the Afghan Public Service Programme (CAP focuses on providing coaching to senior civil servants and basic management and administration services at provincial and district levels);
- Law and Order Trust Fund for Afghanistan (LOTFA covers nationwide payment of police staff salaries, institutional development, acquisition of non-lethal equipment or rehabilitation of police facilities);
- Afghanistan Sub-national Governance Programme (ASGP focuses on public administrative reform at central and provincial level);
- Access to Justice at the District Level (AJDL).

Rule of Law

Italy, as Afghanistan's partner nation for judicial reform, provided the impetus to improve coordination amongst all the key international partners by hosting a conference in Rome in 2007.

RULE OF LAW

The Rome Conference on the Rule of Law in Afghanistan resulted in the *National Justice Programme (NJP)* – a five-year reform programme that implements the vision outlined in the sector strategy. A total of 360 million USD was pledged during the conference. Recent developments include:

- National Justice Sector Strategy and the National Justice Programme established in March 2008 (within the framework of the Afghan Reconstruction Trust Fund (ARTF)¹²);
- The Office of the Attorney General and the Ministry of Interior (MoI) established a joint commission to draft guidelines for cooperation between police and prosecutors in the detection and investigation of crimes;
- The number of registered lawyers in Afghanistan tripled from 200 in 2007 to almost 600 in 2008 with 130 being women;
- UNAMA has deployed rule-of-law officers in each of its regional offices to help coordinate international support for the justice sector;
- The Government enacted laws on terrorism, abduction and human trafficking and on the creation of the High Office of Oversight to combat corruption.

Continuing challenges to progress include:

- Chronic lack of resources;
- Inadequate infrastructure and a shortage of qualified, experienced, educated and trained judges and prosecutors;
- Inadequate legal infrastructure;
- Implementation of pay and grade reforms has been slow and has impacted on the recruitment and retention of competent officers;
- Corruption and intimidation by and of officials remain common;
- Justice personnel vulnerable to influence and coercion, often lack adequate provisions to guarantee their personal security.

(Source: UN SG Report to the Security Council, September 2008)

¹² ARTF is a multi-donor Trust Fund administered by the World Bank and funded by 30 donors established in 2002.



SNAPSHOT OF EUROPEAN COMMISSION EFFORTS

- Contributing to financing salaries and training of 220,000 public sector workers since 2002;
- Governance issues feature highly within the EC Country Strategy Paper and corresponding goals;
- In 2008, 20 million euros were spent on support to justice (enhancing skills, strengthening public legal aid and local dispute resolution capacities, and supporting the salaries of uniform prison staff);
- With 217.5 million euros, the EC (together with the US) is the largest contributor to the Law and Order Trust Fund for Afghanistan (LOTFA) which enables police to return to operation throughout the country;
- The EC is one of the major donors to Afghanistan Sub-national Governance Programme implemented through UNDP and focusing on institutional capacity building; it works closely with the IDLG on the new local governance policy;
- Support to provincial governance through programmes implemented by PRTs (10 million euros); these programmes aim at strengthening provincial and district administrations and rule of law institutions (police, judiciary provincial councils);
- Support to UNDP project on AJDL activities also include the public awareness-raising campaign, refurbishment of district justice centres and training of judicial functionaries (6 million euros);
- A new justice programme (20 million euros) was approved by the EC in 2008 and will be implemented throughout 2009. It will include remuneration of uniform prison personnel, further support to the UNDP project on AJDL and support to the implementation of the NJP.

(Source: EC report to the European Parliament State of Play, January 2009)

As one of the major donors of development assistance and humanitarian aid to Afghanistan, the European Commission (EC) invested 1.59 billion euros in Afghanistan between 2002 and 2008. The EC intervention in Afghanistan is guided by three focal areas (rural development, governance and health) and three non-focal areas (social protection, mine action and regional cooperation).

Elections

One of the primary tests of a functioning State is its capability to hold free and fair elections. The first such elections after the fall of the Taliban were held in 2004 (Presidential) and 2005 (Parliamentary and Provincial). An impressive 75% of eligible voters participated in the Presidential elections, while 51% voted in the 2005 Parliamentary and Provincial Council elections. The 2004/2005 elections were conducted under the joint responsibility of the UN and the Government of Afghanistan, in accordance with the Bonn objectives. The 2009 Presidential elections will be the first elections held under the sole responsibility of the Afghan authorities since the fall of the Taliban. These elections will be a crucial milestone on Afghanistan's road to long-term stability.



Men assemble outside their Voter Registration Centre in Farah, on 8 January 2009. Between the male and female registration sites in Farah City, 300 to 400 Afghans a day registered to vote.

An Afghan citizen registers to vote in Farah in January 2009.

I travelled to Uruzgan, Kandahar and Helmand. Tribal and religious leaders played a major role in the success of the exercise. People were lining up for voter registration under snowfall in Khas, Uruzgan and people were registering in big numbers in Musa Qala district in Helmand.

Zekria Barakzai, Deputy Chief Electoral Officer, IEC

2009 ELECTIONS

Presidential and Provincial Council elections in 2009 are an important milestone of democratic progress. The Afghan Government and its security forces will lead the effort to ensure that the people of Afghanistan have a safe and secure election. ISAF will support the ANSF throughout the election process.

Conditions for elections have been set, among other things, by successful voter registration under the leadership of the Independent Election Commission (IEC). The IEC has registered almost 4.4 million new voters, in addition to the more than 10 million registered in 2004. Of the newly registered, almost 1.7 million were women and 143,320 were Kuchis (nomads). Only 10 districts out of 398 across the country could not participate in the registration process for security reasons.

Security during the voter registration process was provided principally by the ANP, with support from the ANA, while ISAF's role was mainly logistical support.

Phase 1 (6 Oct – 4 Nov 2008): 1,295,347 new voters (Badakshan, Kunar, Nuristan, Wardak, Ghor, Bamyan, Day Kundi, Ghazni, Sar-e Pol, Logar, Kapisa, Parwan, Takhar).

Phase 2 (5 Nov – 4 Dec 2008): 1,650,438 new voters (Balkh, Samangan, Jowzjan, Faryab, Kabul, Herat, Badghis, Baghlan, Kunduz).

Phase 3 (12 Dec 2008 – 12 Jan 2009): 924,023 new voters (Nangarhar, Laghman, Paktia, Khost, Paktika, Zabul, Farah).

Phase 4 (20 Jan – 18 Feb 2009): 495,484 new voters (Kandahar, Uruzgan, Nimroz, Helmand).

The IEC continues to work on the preparations for elections. This includes a public awareness campaign as well as internal work such as drafting Regulation on Campaign Finance, Recruitment of Temporary Election staff, etc.



Sub-national and Local Level

Establishing effective governance at the local level complements the development of state level institutions. Afghanistan is still predominantly a rural society. The Independent Directorate for Local Governance (IDLG) headed by Minister Jelani Popal has been tasked by President Karzai to improve the links between central and local governments. Created in 2007, the IDLG reports directly to the President and holds supervisory responsibility over provincial governors, district administrators and municipalities. Its goals include strengthening institutions at the sub-national level and improving their openness, transparency and accountability. Special attention is given to provinces where the security situation is unstable and the local government is less developed. Following the Cabinet's endorsement of the IDLG's five-year strategic plan, the Government began to clarify the functions of local government which has improved effectiveness¹³.

In 2008, the IDLG started to implement the Afghan Social Outreach Programme (ASOP). ASOP is an Afghan initiative widely supported by the International Community – ISAF, UNAMA and NGOs included. It is an illustration of the Comprehensive/Integrated Approach in action. It draws on known and accepted traditional practices in the country. The programme has a security dimension as it aims, through community cohesion and solidarity, to support ANSF and ISAF efforts to protect the population from insurgents.

ASOP began implementation on a pilot basis in Maidan Wardak Province. However, the IDLG recognises that every province, district and community is unique and the implementation of the programme will need to adapt to the challenges and opportunities present in each district.

Provincial government representatives, local elders, school officials and PRT staff participate in a ceremony to mark the start of construction of a school for girls in the Behsood District of Nangarhar Province on 11 January 2009.

¹³ NATO Senior Civilian Representative (SCR) Office.

AFGHAN SOCIAL OUTREACH PROGRAMME (ASOP)

Afghanistan Social Outreach Programme is a practical example of a comprehensive and integrated approach to peace, governance and development in the country. Through this programme the Government was able to increase citizens' role and participation in security, governance and development. ASOP is built upon existing Afghan structures through which the Government can empower local communities to watch-dog the performance of the Government, reform and improve the traditional structures, expand and practice democracy at grass-root level so that people's voices are heard and to ensure that security, development and governance are sustained and maintained by Afghans.

Governor Mohammad Halim Fidai, Maidan Wardak Province, February 2009

Objectives

- Improve government outreach at district level for both stability and development;
- Produce provincial profiling reports encompassing general information, governance, structures, security trends and development scenarios;
- Sensitise key government officials and political and social figures on critical issues in the province concerning the Government and community through extensive consultation;
- Create/strengthen confidence between the community and the Government by the revival of traditional practices (e.g. conflict resolution among communities) through establishing temporary community councils comprising 30-50 members of the village leaders, religious scholars, political and social leaders and tribal heads;
- Strengthen community-based decision-making processes to create a conducive environment for government and other actors to address immediate and long-term needs, ensuring quality output delivery by the government and aid organisations, handling the social grievances and responding to emergency situation in a collective, effective and timely manner;
- Synchronise all programme implementation in the districts for increased effectiveness and efficiency.¹⁴

Progress in Maidan Wardak¹⁵

- Prepared a provincial profile – a comprehensive document on security, good governance and development priorities for the province;
- Identified potential District Council members from suggestions provided through the Provincial Profile, District Governors, Provincial Governor, National Directorate for Security and NGO database;
- Established eight District Councils through collective consensus-based decision-making processes;
- Created a strong and effective leadership team comprised of the Governor, provincial Assembly, District Councils and National Assembly members;
- With the progress on the District Councils, community representatives have gained greater confidence to participate actively and people became more willing to express their opinions and convey their concerns;
- The Community Councils meetings provided useful fora for dialogue and addressing community grievances with government services.

¹⁴ IDLG.

¹⁵ SCR Office (ASOP Lessons Learned) and Governor Fidai presentation to journalists, December 2008.



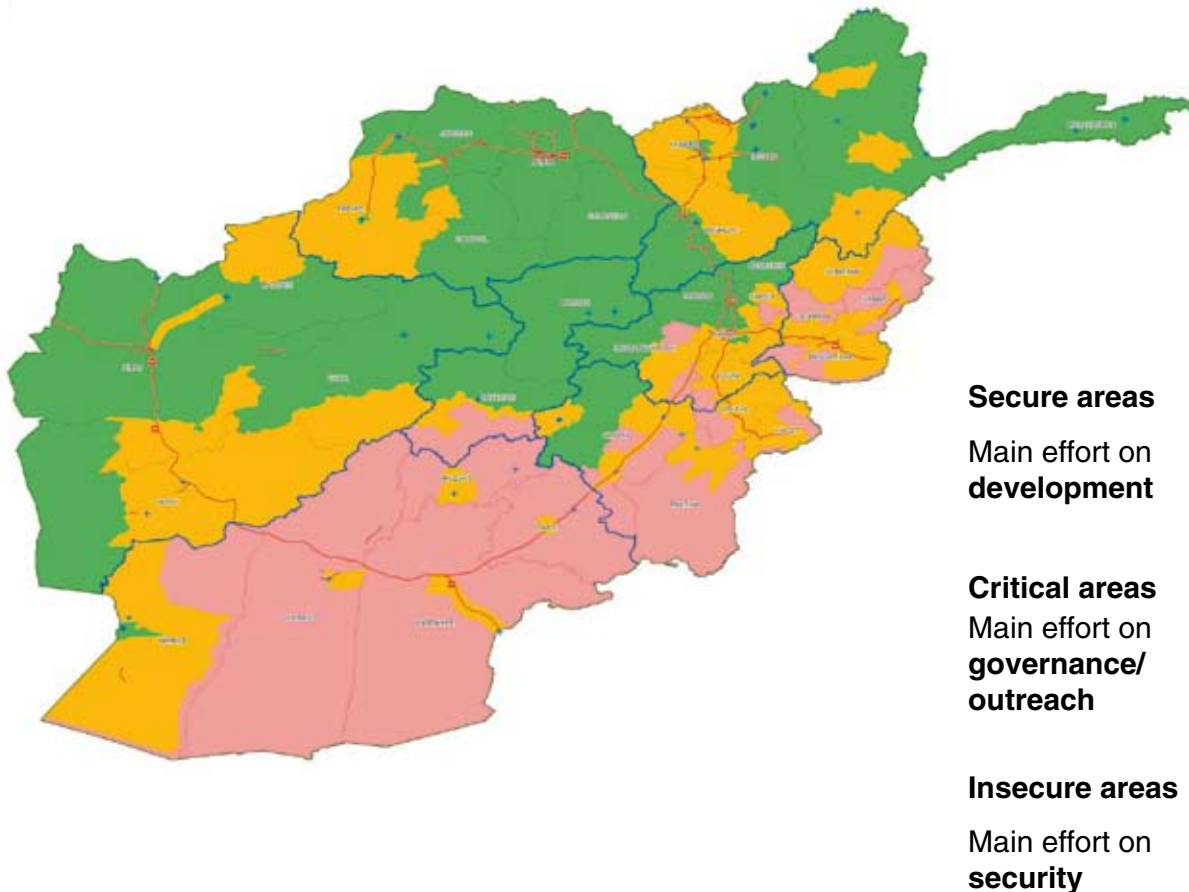
Implementation of the Afghanistan Compact and the ANDS has been slow and uneven. Observers point to the myriad of international organisations, donors and agencies providing support to a young government lacking in capacity and experience as one explanation for this. However, key international partners are adopting a new Integrated Approach (IA) as an implementing mechanism for ANDS and a joint planning and coordination framework amongst key stakeholders. It is through this process that stakeholders align their respective plans and priorities to achieve a combined and concerted security-governance-development effect in commonly agreed 'critical districts'. Examples of programmes being planned and implemented through the IA are

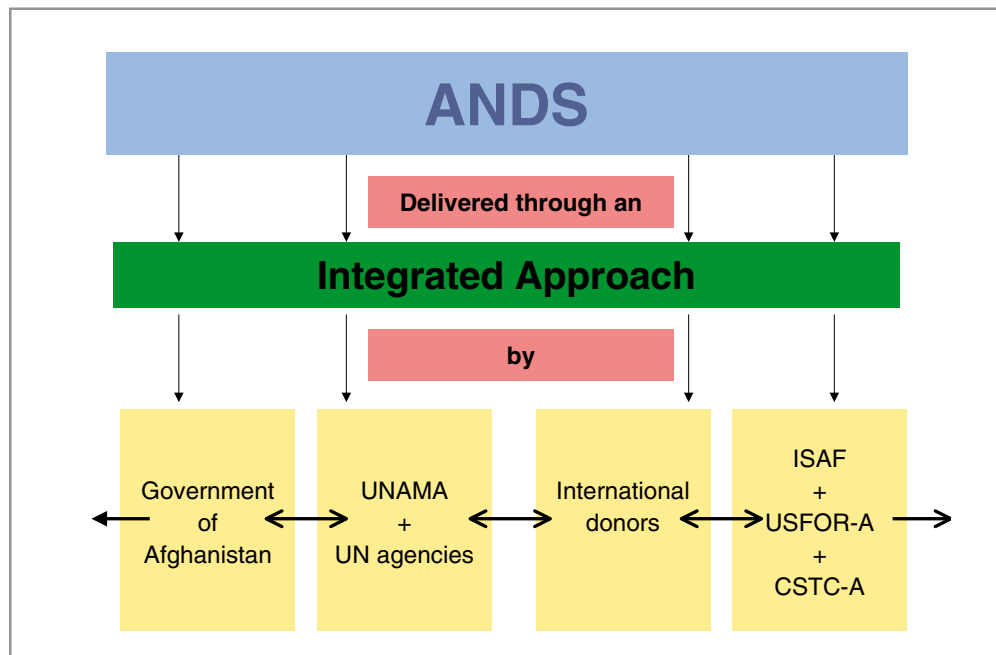
Focused District Development (FDD) and, soon, Judicial Reform.

Based on the UN Accessibility map, Afghanistan's 398 districts were divided into three levels of stability: secure (main effort is development), critical (main effort is governance and outreach) and insecure (main effort is security). The main efforts in each of these areas are complemented by the other two pillars of the ANDS. The Approach will eventually cover the entire country. In its initial stage, effort will focus on 49 'critical districts' agreed upon by IDLG and UNAMA. Ten districts have now been identified to be action districts for the new approach.

UN ACCESSIBILITY MAP

SECURITY, GOVERNANCE AND DEVELOPMENT ARE COMPLEMENTARY





TAGAB DISTRICT STABILISATION INITIATIVE

On 20 January 2009, UNAMA, ISAF, CSTC-A and Afghan government agencies agreed to develop an Integrated District Stabilization Plan targeting action districts. Socio-economic, security, and governance profiles of these districts are being prepared, with the profile of Tagab already completed.

Tagab District in Kapisa Province has historically been divided between north and south. The South is further internally divided and harbours a number of long-standing disputes.

The Tagab Stabilisation Initiative was initiated by the UNAMA Central Region Field office and involved the organisation of a Peace Jirga. The Jirga launched ASOP and paved the way for local reconciliation and the establishment of a well-balanced district shura, which will merge the 4 existing shuras and will then be used as a platform for negotiations and reconciliation.

So far, the initiative has been successful in its initial phase (consultations, consensus, negotiations) and the disagreement over the issue of “super” shura leadership has been resolved with a rotating leadership structure. (Source: UNAMA presentation)



Shuras are fora for consultations among elders and play an important role in Afghan society. They are the basis for implementing representative democracy.



Counter-Narcotics

Progress depends on more than reducing the amount of opium hectareage: it depends on improving security, integrity, economic growth, and governance. We must concentrate on winning long-term campaigns, not just short-term battles.

Antonio Maria Costa, Executive Director,
United Nations Office on Drugs and Crime (UNODC), January 2009,
Afghanistan Opium Winter Assessment Report

There is a recognised nexus between the narcotics trade and the insurgency. Each year, the insurgency benefits from an estimated 100 million - 200 million USD from the narcotics trade. Experience on the ground demonstrates that opium production and insurgent violence are correlated geographically and opium remains a major source of revenue for both the insurgency and organized crime. The drugs trade also fuels corruption and undermines the rule of law. It jeopardises the prospects of long-term economic growth and impacts on the nation's health, as drug addiction is an ever-increasing problem in Afghanistan.

To counter this, the Afghan Government, widely supported by the International Community (UK as the G8 lead-nation, USAID, UNODC, etc.), is implementing an eight-pillar *National Drug Control Strategy* (NDCS) adopted in 2003 and updated in 2006. It comprises institutional capacity building, law enforcement and interdiction, demand reduction, criminal justice reform, public education, regional cooperation, alternative livelihoods and poppy eradication. Efforts are led by the Ministry of Counter-Narcotics and the implementing agency is the Counter-Narcotics Police.

Part of the plan is also the Good Performers Initiative (GPI), which was established by the Afghan Government in 2006 to reward provinces that are poppy-free and those that demonstrate significant progress towards becoming poppy-free through targeted development assistance. Rewards are granted in one of three categories: poppy-free provinces (1 million USD each), net poppy reduction (1,000 USD per hectare above 10%, total cultivation) and special recognition awards (500,000 USD). Eighteen provinces have earned 28 million USD in the GPI in 2008, including 10 million USD for Nangarhar.

USAID'S ALTERNATIVE DEVELOPMENT PROGRAMMES

The purpose of USAID's Alternative Development programmes is to create licit alternatives to poppy production by promoting and accelerating rural economic development. The goal is to increase commercial agriculture opportunities, improve agricultural productivity, create rural employment and improve family incomes.

So far, the individual programmes have succeeded in introducing a series of technological (new crops, new varieties and crop production practices), organisational (trade associations and farmer organisations) and institutional innovations. Results include:

- Accelerated sustainable economic development in poppy regions with high-value licit crops like pomegranates or grapes. These programmes assisted in declaring additional opium free province;
- Over 100,000 people trained in agricultural sector productivity;
- More than 3.2 million trees planted;
- Over 4,200 metric tons of fruit and vegetables were exported with USAID support in 2008;
- Over 30,000 farmers are now under contract with local food processing firms and/or wholesalers.

(Source: USAID Factsheet)

*17.7 tons of poppy seed,
1 ton of opium and 1.4 ton of heroin
burned by Afghan counter-narcotics
forces in Helmand Province
on 5 February 2009.*



There have been some positive developments in 2008. According to UNODC *2009 Opium Winter Rapid Assessment*, there has been a 19% reduction in poppy cultivation in 2008 and further decrease is anticipated in 2009. Poppy cultivation is confined almost entirely to the south (see table). The South and South West region now account for 98% of Afghanistan's poppy cultivation. However, even there, the effective implementation of the Provincial Counter-Narcotics Strategy in Helmand shows what strong leadership can achieve against the odds.

NATO-ISAF supports the NDCS and provides assistance to the Afghan authorities' counter-narcotics operations through training, intelligence and logistics, and *in-extremis* support, as appropriate. NATO-ISAF also helps the Afghan government to explain its counter-narcotics policy to its people through PRTs and other means. Following the guidance from the Budapest Defence Ministerial meeting in October 2008, ISAF is prepared to support its Afghan partners in taking action against drug laboratories and traffickers providing material support to the insurgents within the existing operational plan.

Cultivation Trend in 2009 ¹⁶	No. of provinces	Provinces
Poppy free	14	Balkh, Bamyan, Ghazni, Jawzjan, Khost, Kunduz, Logar, Nuristan, Paktika, Paktya, Panjshir, Parwan, Takhar, Wardak
Uncertain	4	Ghor, Nangarhar, Samangan, Sari Pul
Strong decrease (very low level of cultivation)	2	Baghlan, Herat
Decrease (low level of cultivation)	7	Badakhshan, Badghis, Faryab, Kabul, Kapisa, Kunar, Laghman
Decrease (but maintaining high level of cultivation)	7	Day Kundi, Farah, Helmand, Kandahar, Nimroz, Uruzgan, Zabul

¹⁶ Afghanistan Opium Winter Rapid assessment, UNODC, January 2009.



The money from the narcotics trade is feeding the insurgency. It buys weapons and pays fighters – the weapons and fighters that kill soldiers and Afghan citizens alike. It is a cancer, fuelling the insurgency, contributing to corruption, impeding legitimate commerce, and undermining governance.

General John B. Craddock, Supreme Allied Commander Europe



ANSF and ISAF soldiers carried out Operation Diesel in the Sangin Valley of Helmand Province in February 2009. Their mission included disrupting insurgent command and control, logistics and IED facilities. (© UK MoD)



An ISAF Royal Marine inspects a drugs haul during the ANSF-led operation Diesel, Helmand, in February 2009. (© UK MoD)

OPERATION DIESEL

Operation DIESEL was carried out by ANSF, supported by UK ISAF troops in the Sangin Valley of Helmand province between 6 and 11 February 2009. Sangin, a district with a population of around 50,000, is dominated by an area that has long been a centre of insurgent activity and where extensive narcotics production provides a stream of funding to the Taliban.

The operation resulted in the disruption of insurgent command and control, logistics and IED facilities, and delivered the following:

- Destruction of a large quantity of narcotics, including 1295kg of wet opium;
- Destruction of 4 significant drug factories and laboratory equipment;
- The discovery and removal of pre-cursor chemicals for use in the production of heroin. The quantities found and destroyed would be sufficient for the production of heroin with an estimated end street value of over 50m GBP;
- A considerable number of weapons and ammunition have been removed, including Ak47 assault rifles, machine guns, numerous ammunition magazines and 3 RPG rocket launchers complete with additional warheads;
- Discovery of a motorbike modified for use in a suicide attack.

(Source: UK Ministry of Defence)

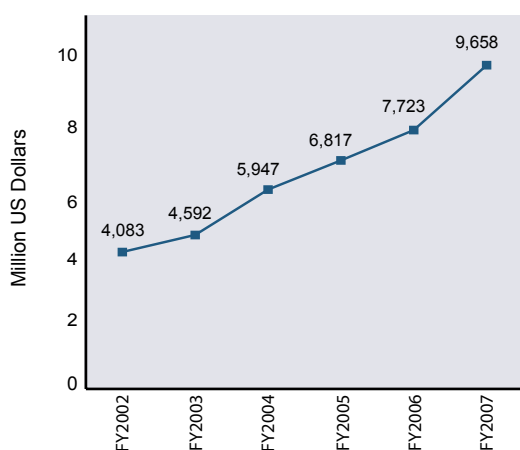
Reconstruction and Development

*Thanks to the selfless sacrifices of your men and women
and the determination and sacrifices of our own people,
the journey of Afghanistan's reconstruction is resolutely apace.*

Afghan President Hamid Karzai,
at the United Nations General Assembly, 28 September 2008.

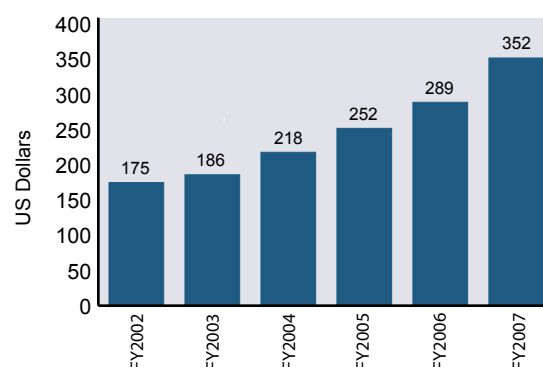
Afghanistan remains one of the poorest countries in the world. However, since 2002 Afghanistan has made steady progress. In 2008, despite a slump caused by drought, Afghanistan's GDP is expected to grow by 7.5%¹⁷ (see table 1). GDP per capita is forecasted to rise from 352 USD in FY2007¹⁸ to 456 in FY2008¹⁹ (see table 2). In 2001, agriculture accounted for 49% of the country's GDP, in FY2007 it represented 35.5%. As income per capita rises, agriculture is giving way to a steady growth in the industrial and service sectors, now representing 26.6% and 34.6% of the GDP²⁰ respectively.

**Table 1: Islamic Republic of Afghanistan
Nominal GDP. FY 2002-2007**



Data provided by IMF and Afghan Authorities.

**Table 2: Islamic Republic of Afghanistan
GDP per capita. FY 2002-2007**



Data provided by IMF and Afghan Authorities.

Investments, especially domestic, are growing. In FY2002, Gross Domestic Investments amounted to 28.8% of GDP, in FY2007 they reached 36.8%²¹. In FY2002, private investments accounted for only 1.2% of GDP, in FY2007 they stood at 7.8%²². The Government has now gross reserves equivalent to 12.7 months of perspective imports, putting the country in a better condition to face external or unforeseen shocks. Afghanistan is trading more and more with its neighbours. Official exports have increased almost five-fold from FY2002 to FY2007 (482 million USD) while imports have almost quadrupled during the same period (7,250 million USD)²³ (see table 3). Sixty to seventy percent of Afghanistan's trade is shipped through Pakistan²⁴. On 13 December 2004 Afghanistan was granted an observer status to the World Trade Organization (WTO) General Council.

¹⁷ Anwar Ul-Haq Ahady, Governor of the World Bank Group for the Islamic Republic of Afghanistan, Washington, October 2008.

¹⁸ Fiscal Year 2007 corresponds to the period March 2007-March 2008. FY 2006 corresponds to March 2006-March 2007. Unless otherwise specified figures for FY2006 and FY2007 are estimates.

¹⁹ International Monetary Fund (IMF) and Afghan Authorities.

²⁰ Idem.

²¹ Idem.

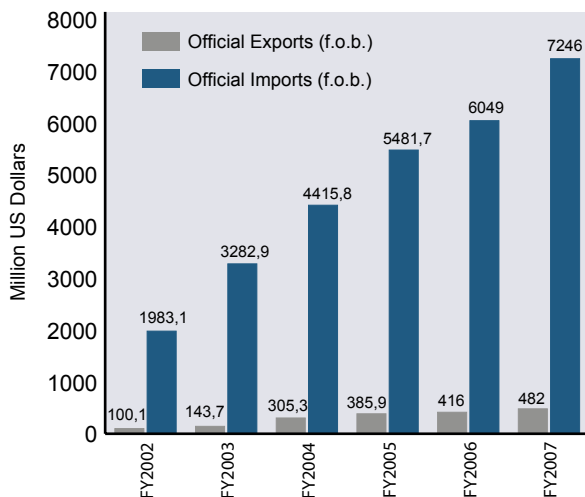
²² Idem.

²³ Idem. These figures exclude opium exports and flows associated with US Army and most ISAF activities.

²⁴ Activating Transport and Trade Facilitation Committee (AFPRO), Afghanistan.



**Table 3: Islamic Republic of Afghanistan
Official exports and imports. FY 2002-2007**



Data provided by IMF and Afghan Authorities

These macro-economic achievements have been coupled with constant improvement in the quality of life of ordinary Afghans. More than 7 million children, including 2 million girls, are enrolled in school. Since 2001, more than 3,500 schools have been built and 19 universities are now providing a growing number of students with higher education curricula. Today, 85% of Afghans have access to the Basic Package of Health Services.

These are all important achievements, especially when compared to the dire situation the country faced in 2002. However, strong international engagement will continue to be required to address the remaining difficulties Afghanistan must overcome. In this context, during the last International Conference on Afghanistan (Paris, June 2008), more than 80 donors pledged 21 billion USD²⁵, aligning themselves with financing and implementing the priorities set out by the Afghan Government in the Afghan National Development Strategy (ANDS) from April 2008.

The ANDS is a strategic document setting priority areas and high level benchmarks for 2008-2013. It focuses on three main pillars: security; governance, rule of law and human rights; and, economic and social development.

At the Paris Conference participants agreed to prioritise the agriculture, irrigation and energy sectors, while continuing support for roads, education and health. In this context, efforts will be made to expand agricultural production and to extend rural development. Investments in larger scale power generation, transmission and distribution to stimulate Afghanistan's economic development and generate employment will also be included.

Furthermore, donors pledged 3 billion USD to the Afghanistan Reconstruction Trust Fund (ARTF), established in 2002 and managed by the World Bank. The ARTF is designed to help the Government to use international assistance more efficiently and effectively without the risk of duplicating planned works.



*Three generations of Afghans sell
their goods at a village store.
(© World Bank / Michael Foley)*

²⁵ Islamic Republic of Afghanistan, Ministry of Finance.



Afghan grocers in the Panjway District of Kandahar Province. Expanding agricultural production was identified as a key priority at the international conference in support of Afghanistan held in Paris on 12 June 2008. (© Canadian MoD)

FRAMEWORK FOR INTERNATIONAL SUPPORT TO AFGHANISTAN

Bonn Conference (22 December 2001): Afghans met under UN auspices to decide on a plan for governing the country. The Afghan Interim Authority was inaugurated with a six-month mandate to be followed by a Transitional Authority (TA), paving the way to the approval of the Constitution (January 2004) and Presidential elections (October 2004).

Tokyo Conference (21-22 January 2002): Japan, the United States, the European Union and Saudi Arabia, co-hosted a ministerial Conference to discuss aid to Afghanistan. Donors pledged 4.5 billion USD.

The United Nations Assistance Mission to Afghanistan (UNAMA): established through Security Council Resolution 1401 (28 March 2002), helps to implement the Bonn Agreement. UNAMA's guiding principle is to reinforce Afghan leadership and strengthen international cohesion in support of that leadership.

Berlin Conference (1 April 2004): representatives from 65 nations and international organisations met in Berlin to support the reconstruction of Afghanistan. More than 8.2 billion USD were pledged.

London Conference (1 February 2006): The Government of Afghanistan and the International Community signed a political agreement, the Afghanistan Compact, defining the principles of their cooperation for 2006-2011. The Compact

identified three critical and interdependent pillars of activities: security; governance, rule of law and human rights; and economic and social development. The International Community agreed on a set of benchmarks and timelines to monitor implementation of the Compact and committed to improved aid effectiveness, transparency and accountability. Donors pledged 10.5 billion USD.

Afghan National Development Strategy (21 April 2008): the ANDS is a Millennium Development Goal (MDG)-based plan that serves also as Afghanistan's Poverty Reduction Strategy Paper (PRSP). The ANDS recognises the leadership of the Afghan Government in setting its developing priorities and represents the Road Map for joint action for 2008-2013.

Joint Co-ordination and Monitoring Board (30 April 2008): the JCMB is the primary coordinating and monitoring mechanism established between the Afghan Government and the International Community, in which UNAMA plays a leading role, for ensuring the achievement of the Afghanistan Compact and monitoring the ANDS.

Paris Conference (12 June 2008): this third International Conference held after the formation of the Afghan Government officially launched the ANDS. More than 80 donors decided to focus their assistance to the GIRA on agriculture, irrigation and energy sectors, pledging more than 21 billion USD.



A female ISAF soldier asks Afghans about the reconstruction needs of their community, in Kandahar Province, in November 2008. (© Canadian MoD)

NATO-ISAF is also a major contributor to the overall international reconstruction and development efforts through its 26 Provincial Reconstruction Teams (PRT), led by 14 different nations with a total of 30 countries contributing. PRTs are a key feature of the NATO-ISAF operation and they play a pivotal role in supporting ANDS implementation on a country-wide scale. PRTs are a mix of civilian and military personnel. The military component focuses on building security sector capacity and increasing stability. The civilian component focuses on political, governance, economic, humanitarian and social aspects. To date, PRT activities have contributed more than 545 million USD in projects throughout the country.

The following sections provide an overview of the agriculture and rural development, energy and transport sectors together with a brief snapshot of some projects.

THE AFGHANISTAN RECONSTRUCTION TRUST FUND

The Afghanistan Reconstruction Trust Fund (ARTF) is a partnership between the International Community and the Afghan Government for the improved effectiveness of reconstruction. Between early 2002 and 20 December 2008, 30 donors have contributed over 3 billion USD, making the ARTF the largest contributor to the Afghan budget. The ARTF supports many of the Government's national priority programs and is beginning to play a strategic role in support of the reform agenda.

The objectives of the ARTF are to:

- Position the national budget as the key vehicle to align the reconstruction program with national development objectives;
- Promote transparency and accountability of reconstruction assistance;
- Reduce the burden on limited government capacity while promoting capacity-building over time;
- Enhance donor coordination for financing and policy dialogue.

The ARTF is managed by the Management Committee (MC) consisting of the World Bank (the administrator), the Islamic Development Bank (IDB), the Asian Development Bank (ADB) and the UN (UNAMA and UNDP). The MC meets regularly in Kabul to carry out the day-to-day business of the fund. Quarterly, ARTF Donors meet to discuss broader strategy. The Afghan Ministry of Finance plays an active role in both the MC meetings (as an observer) and the donor meetings.

During FY2007, the ARTF handled 634 million USD of donor contributions. For FY2008, donors pledged 695 million USD. The largest single contributors to the Fund are the UK, US and Canada. Other donors include 15 European countries, the EC itself, Australia, India, Iran, Turkey, and the Gulf States. (Source: World Bank)

Agriculture and Rural Development

The agriculture sector accounts for 35.5% of Afghanistan's GDP²⁶. About 80% of the Afghan population is directly or indirectly involved in the agriculture and livestock sectors and lives mainly in rural areas. Therefore, a vibrant and growing agriculture sector is essential to ensuring that the benefits of economic development are spread throughout the country and reach the bulk of the Afghan population. The ANDS strategic objective is to attract private sector investments to transform agriculture into a high-value commercial sector as a source of growth and expansive means of livelihood. The Government will implement a coordinated agricultural and rural development programme aimed at poverty reduction and the provision of alternative livelihoods.



An Afghan potato farmer (© FAO / Giulio Napolitano)

SIGNS OF ECONOMIC GROWTH IN HELMAND

Afghanistan's Helmand Province is starting to show the first signs of economic growth, thanks to international support for initiatives aimed at the region's farmers and businessmen. The southern province is one of the country's most fertile areas, but its economy depends on illegal money from opium. As part of the fight against drugs in Afghanistan, the UK Department for International Development (DFID) is helping farmers to grow other crops. Not only does this provide them with a legitimate and sustainable income, it also supplies the region with much-needed food.

DFID-supported small loans have been instrumental in giving farmers a boost in the right direction. So far, DFID has helped provide over 100,000 GBP to over 230 clients. These activities are part of a broader 30 million GBP package of assistance for agricultural and rural development

in Helmand, with the majority of spending being put into the Afghan Government's National Priority Programme (NPP) for development. Other DFID activities will support the production and marketing of local produce such as fruits, nuts and vegetables, increase access to safe drinking water and irrigation, and building roads so that farmers and entrepreneurs can get their goods to market.

DFID's activities in Helmand are closely coordinated with the Helmand PRT and with USAID's activities. One of these projects is the refurbishment of Lashkar Gah's Bost Airfield to provide further opportunities for producers to ship their goods around the country and the region. A USAID-sponsored agri-business park is also due to open at the airfield site in 2009, as part of the same project. (Source: DFID)

²⁶ IMF and Afghan Authorities.



The Comprehensive Agriculture and Rural Development (CARD) Sector Strategy is aimed at poverty reduction through economic regeneration. It sets out a series of programmes designed to improve the quality of life for rural citizens in which food security is assured, basic services are provided, employment opportunities are expanded and incomes increase with households actively engaged in legal commercial activities.

In order to achieve these goals, the rehabilitation and construction of rural access roads and of existing irrigation structures will remain an important priority. This will deliver much-needed quick returns to increase agricultural production, market access and reduce poverty rates among rural households.



Aerial view of a portion of the Dahla dam in the Arghandab District, northern Kandahar, on 11 July 2008. (© Canadian MoD)

CANADA INVESTS IN THE ARGHANDAB IRRIGATION REHABILITATION PROJECT

The Dahla Dam irrigation system in the Arghandab region, located in the heart of Kandahar Province, is Afghanistan's second largest dam with 80% of the province's population living within the range of its irrigation waters. Built in the 1950s, the irrigation system functions at a much reduced capacity and the reservoir's water flow cannot be regulated. Repairing the Dahla Dam and its irrigation system, known as the Arghandab Irrigation Rehabilitation Project, will see Canada invest more than 50 million USD to restore the facilities, build roads, replace

generators and make repairs to the canals. This project will also establish the Arghandab Sub-basin Water Management Body, which will take the lead in managing the area's water system in consultation with local stakeholders. The project will also provide training to farmers in water management and crop production techniques. The Canadian International Development Agency (CIDA) worked through the PRT Kandahar on the engineering, logistical and security requirements for this project. (Source: CIDA)



An irrigation canal that is being rehabilitated in Kabul Province under a World Bank-funded initiative (© World Bank 2008)

THE EMERGENCY IRRIGATION REHABILITATION PROJECT

The Emergency Irrigation Rehabilitation Project, funded by the World Bank, is helping to provide water to farms with more reliable and equitable distribution of irrigation water. The rehabilitation of the national irrigation system in all five river basins of Afghanistan will help increase agricultural productivity and farm income, improve food security and livelihoods, and reduce vulnerability to droughts. To date, 6 regional offices in Kabul, Jalalabad, Kandahar, Balkh, Kunduz, and Herat have been established to develop institutional capacity at the local level. Furthermore, 710 subproject proposals, costing about 65.9 million USD have been prepared. Of these, 668 subprojects totalling 56.9 million USD have been approved; contracts for 655 subprojects worth 47.13 million USD are ongoing; and 570 subprojects worth 33.69 million USD have been completed. As of January 2009, the project has brought over 100,000 hectare of additional area under irrigation and resulted in substantial increases in crop yields in the rehabilitated areas. Additionally, the emergency repair of the Band-e-Sultan Dam north of Ghazni city, costing about 500,000 USD, has been completed. The Feasibility Study of the Lower Kokcha Irrigation and Hydropower Multipurpose Project on the Kokcha River in the Amu River Basin is also complete. Installation of 64 of the 174 hydrology stations in different parts of the country is complete, while installation of the remaining stations is ongoing. (Source: World Bank)

CREATION OF A RURAL DEVELOPMENT SCHOOL IN KABUL AND IN BADGHIS

Spain is leading the support to the Afghan strategy for agriculture. In this strategy, one of the most interesting proposals is the creation of a National Rural Development School in Kabul and a Provincial school in Badghis, one of the poorest provinces of Afghanistan, to which Madrid has committed 15 million euros.

Furthermore, the Spanish Development Agency (AECID) works on irrigated land in Badghis, educating Afghans in modern cultivation techniques, improving the cattle, as well as recuperating the plantations of saffron and pistachio nuts and fighting against rural plagues.

Between 2001 and 2008 the overall contribution of the Spanish Government to the reconstruction and economic and social development of Afghanistan has reached 225 million euros.

According to the Food and Agriculture Organization (FAO), irrigation systems covering 567,000 hectares of land, have been rehabilitated since 2004. Through a variety of programmes, almost 20,000 km of rural access roads have been constructed or repaired, increasing access to markets, employment and social services. More than 500,000 households (36% of villages) have benefited from small-scale irrigation projects.²⁷

In 2007, cereal production was 4.6 million tons²⁸, more than twice the 2001 level of 2.0 million tons²⁹. The number of agricultural cooperatives grew from 52 in 2002 to 1,114 in 2007, employing 142,600 people as opposed to 7,400 in 2002³⁰. New and higher quality varieties of seeds, most of which are produced by a flourishing private sector, have been introduced on the Afghan market, contributing to higher yields and ensuring better tolerance to diseases.

²⁷ ANDS.

²⁸ Cereals represent more than 90% of the overall agricultural production.

²⁹ FAO.

³⁰ IMF and Afghan Authorities.



FAO SUPPORTS THE DEVELOPMENT OF INTEGRATED DAIRY SCHEMES

The project aims at the development of Integrated Dairy Schemes in Afghanistan. Several Dairy Unions, namely the Kabul Dairy Union, the Mazar Livestock Development Union and the Kunduz Dairy Union have been organised, established and registered with the Government of Afghanistan. Processing facilities have already been improved to increase the dairy units' productivity (litres per day) for Kabul, Balkh and Kunduz Dairy Unions, respectively, by up to 7,000, 5,000, and 2,000 with a complete pasteurization and packaging system. In 2008, the three facilities produced 2.1 million litres of milk as opposed to 0.6 million in 2003.

Technical experts are supporting the Unions and providing capacity building to improve their technical management and entrepreneurial skills to enable them to run the dairy business. A 15-month (October 2008 to December 2009) extension proposal for a consolidation phase was approved by donors with additional funding of 1.7 million USD. Respective Unions have developed a business plan for three years. The processing and cooling facilities in Kunduz and Mazar, as well as feed mills in all three facilities, will be upgraded. (Source: FAO)



As the imported electricity reaches Kabul, an elderly man turns on the light at his home. (© World Bank)

The ANDS aims at providing 65% of households, 90% of non-residential establishments in major urban areas and at least 25% of households in rural areas with electricity by 2010. The production of electricity has grown from 557 MWh in 2002 to 1,566 MWh in 2008³¹. Kabul is now connected to the North East Power Transmission System (NEPS) and receives more constant and reliable power supply.

Energy and Transport

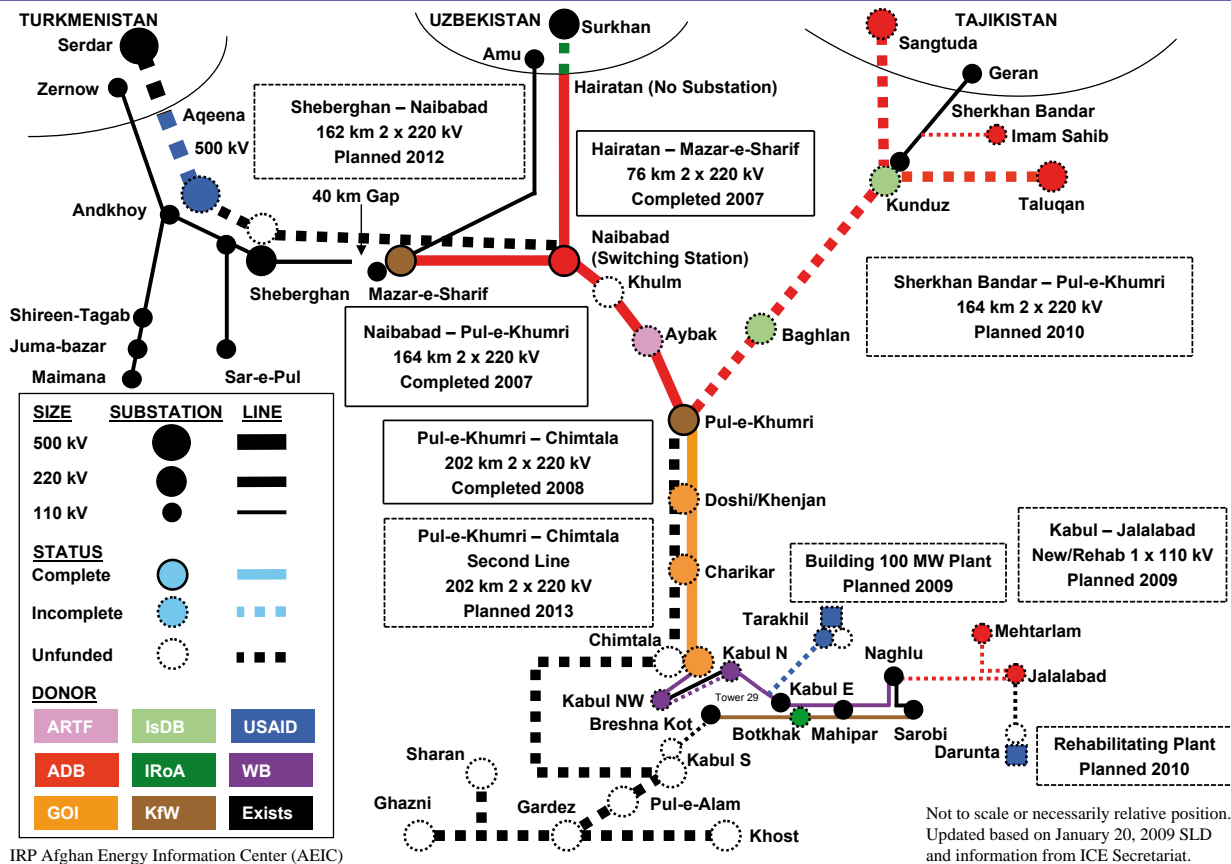
The challenge of sustainable economic growth cannot be met without building the physical networks and infrastructure associated with energy, water supply and transport. The ANDS strategic objective for the energy sector is the provision of reliable, affordable energy, through an efficient and well-regulated market and private sector investment. Modern infrastructure will maximise the capacity of the Afghan economy, generating employment, income, and a steady influx of capital. In addition, an efficient infrastructure contributes to nation-building and strengthens the credibility of the Government by providing enhanced access and more reliable services to the Afghan citizens.

Although most parts of the capital receive electricity for 4 hours every second day, an increasing number of neighbourhoods receive it 24 hours a day. In the future, as the transmission lines capacity to Kabul and the distribution network are upgraded, more and more households and non residential establishments will receive electricity.

Moreover, the recent power purchase agreement signed between Afghanistan and Uzbekistan will enable many towns in the North to restore the necessary power supply conditions to rebuild thriving economic activities.

³¹ USAID.

NEPS Status



KAJAKI DAM BRINGS POWER TO SOUTHERN AFGHANISTAN

The delivery of a third turbine to the Kajaki Dam in Kandahar Province was completed in September 2008. The new turbine, plus the refurbishment of an existing one, will triple the dam's electric power output from 16.5 MW to 51 MW to Kajaki, Lashkar Gah, and Kandahar. Other work on the dam will provide water for homes, agriculture, and industry for the 1.5 million people who live in the Helmand River Valley. The result will be a significant improvement in the quality of life for the people living in the valley, as well as increased economic growth and development. Increased electrical and water supplies will enable farmers to produce higher crop yields, health clinics to improve their

services, and children to have reliable light to study. The Kajaki Dam is one element of the effort to achieve development in the Helmand Valley and a crucial part of the Government's overall economic and social development plan. Although the project itself is funded by the US Government, the Ministry of Energy is instrumental in developing the project plans and assuring coordination with the Government's overall energy development. The implementation of the project would not have been possible without the security provided by the ANSF and ISAF troops, and the logistical coordination supplied by the PRT. (Source USAID)



Power supply allows for night lights throughout Kabul.

KABUL: LIGHTS ON

The Emergency Power Rehabilitation Project aims to provide improved and more reliable power supply to the people of Kabul through the rehabilitation and expansion of the city's distribution network, rehabilitation of the 100 MW Naghlu Hydropower Plant and the restructuring and commercialization of the power utility to improve service delivery. The works supported under this project, to link Kabul with the NEPS to receive power from Uzbekistan and rehabilitation of 110 kV line getting power from Naghlu Hydropower Plant to the city grid, are now complete and serving the people of Kabul with more and reliable power supply.

This project complements the works done under the ARTF-funded Improvement of Power Supply to Kabul Project (7.4 million USD), which has helped in rehabilitating one unit (22 MW) of Mahipar hydro power project and the associated 110 KV transmission line. Power production in Mahipar is key for power supply to Kabul during the winter as the river feeding this power station has water only during this season (December–May) without any other competing usage. Energy produced in one unit in Mahipar plant can supply at least 16,000 households during the winter (assuming the average consumption of 200 kWh/month in Kabul), replacing expensive diesel generation.

Besides, the ARTF-funded Kabul/Aybak/Mazar-e-Sharif Power Project and Afghanistan Power System Development Project will facilitate distribution of the additional power that Uzbekistan has agreed to supply under a new power purchase agreement with Afghanistan, to the languishing towns that lie along the newly-commissioned transmission line. This will help to restore the once-bustling hubs of Mazar-e-Sharif, Aybak, Pul-e-Khumri, Jabul-es-Seraj, Charikar and Gulbahar to their old economic vibrancy. (Source: World Bank)

GERMANY HELPS PROVIDING KABUL WITH ELECTRICITY

Germany's activities in the energy sector focus on the improvement and stabilisation of the energy supply around Kabul, where 39% of the country's grid and 65% of the total energy production are located.

The electricity supply to the capital is provided primarily by 3 hydro power stations (Naghlu, Mahipar and Sarobi) and 1 gas turbine plant.

The German Ministry for Economic Cooperation and Development has contributed 20.5 million euros for the rehabilitation of the hydro power stations around Kabul. Moreover, Berlin has allocated 4 million euros to the ARTF for the rehabilitation of two turbines in the Mahipar power plant. (Source: German Foreign Office)

The transport network is improving. As of June 2008, 13,150 km of roads had been built or rehabilitated³². The ring road and the main international links (more than 3,000 km) connecting the country's major cities, and Afghanistan to its neighbours are almost entirely refurbished and paved. Thanks to these developments, average travel times have dropped and commercial activities are flourishing. Freight traffic has increased dramatically and is expected to reach 23.7 million tons per km by 2010³³. There are now more than 607,000 vehicles in Afghanistan as opposed to 175,000 in 2002³⁴. Most of these vehicles (576,000)³⁵ are privately owned. Improved road transport and higher numbers of privately owned vehicles are tangible evidence that Afghanistan reconstruction process is well under way.

³² UNAMA, 2008.

³³ Asian Development Bank, 2008.

³⁴ IMF and Afghan Authorities.

³⁵ IMF and Afghan Authorities.

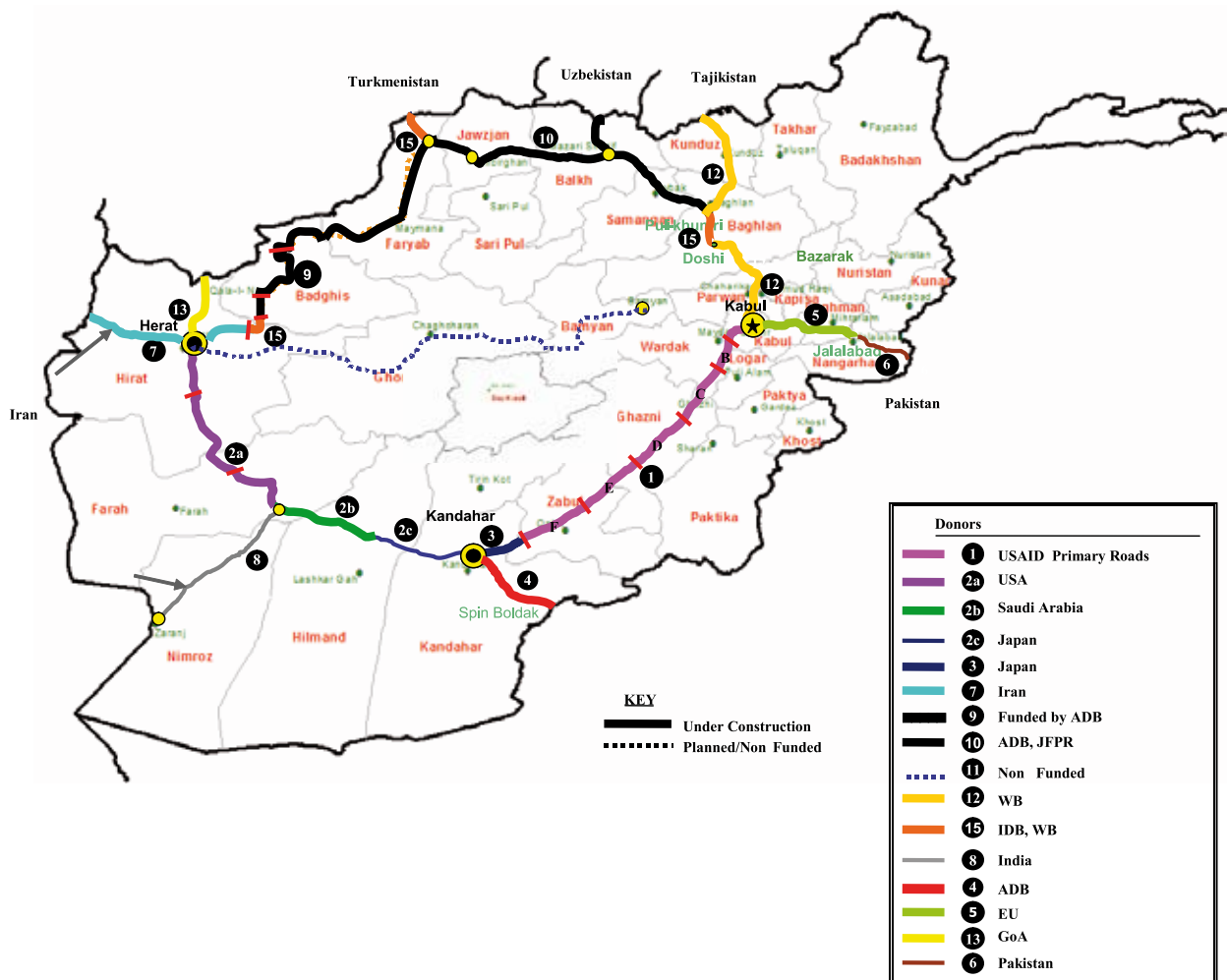
FROM KABUL TO BAMYAN

Italy is helping Afghanistan to rebuild the road from Kabul to the town of Bamyān. The project will rehabilitate 136 km of road and allow the resumption of regular commercial and private traffic between the capital and the famous city of Bamyān. The route winds around mountains and passes and cuts across plains.

The overall cost of the project is estimated to be 104 million euros, entirely provided by the Italian Government, through a grant.

In a span of eight years, Italy has pledged 441 million euros for Afghanistan's reconstruction. To date 355 million have been disbursed. (Source: Italian Ministry of Foreign Affairs)

RING ROAD AND INTERNATIONAL LINKS TO NEIGHBOURING COUNTRIES





NATO PROVIDES INTERNET CONNECTIVITY TO AFGHAN STUDENTS

Named after the Great Silk Road trading route linking Asia and Europe, the NATO Virtual Silk Highway (SILK) project provides Internet access via satellite to the academic communities of the Caucasus and Central Asia. Since 2006, it is also operational at the Kabul University and will be expanded to the provinces. Through SILK, NATO Public Diplomacy Division's Science for Peace and Security (SPS) programme is assisting the Afghan authorities in developing their educational system.

Kabul Area: In 2008, the SPS programme connected all 14 faculties of the Kabul University and the Ministry of Higher Education to a campus network and set-up a video teleconferencing facility. Work is in progress to provide Internet

access through the Virtual Silk Highway to other higher education institutions in Kabul, including the National Military Academy, and the Media and Information Center.

Linking the provinces: In March 2008, the NATO Consultation, Command and Control Agency (NC3A) was tasked to conduct a feasibility study on the potential provision of internet connectivity for universities outside of Kabul. The tender process for this expanded SILK project is underway and implementation could start by the end of 2009. The Afghan Ministry of Higher Education has identified 6 universities as the first beneficiaries: Herat University; Jawzjan University in Sheberghan; Kandahar University, Sheikh Zaid University in Khost Province, Balkh University in Mazar-e-Sharif; and Nangarhar University in Jalalabad.



The Virtual Silk Highway provides the academic community in Afghanistan with access to modern technology.

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