

Building Institutional Strength in Afghanistan

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Building Institutional Strength in Afghanistan

Outline of Presentation

- My Background for Institution Building in Conflict Countries
- A Short Outline of Institutions
- Common Issues and Some Possible Lessons
- A Short History of Afghanistan
- Current Position – Glass Half Full
- Current Position – Glass Half Empty
- So, What Is the Objective ?
- Some ideas for consideration
- Australia's competitive advantages
- The Wrong Answer
- Some references

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Background

- 30 years APS in five agencies to SES level
- Kosovo 2000-2002
 - "Minister for Finance." in interim Administration
 - Developed a Ministry, mentor to a potential Minister
- Montenegro 2002-2003
 - Adviser to Deputy President and Finance Minister
- Iraq 2003-2004
 - Adviser in MoF Baghdad; Local Administration, Kurdish Iraq; MoF and PMO Baghdad
- Palestine 2005
 - Adviser to PMO and MoF
- Somalia 2007
 - Adviser to UNDP

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Background (cont'd)

- Afghanistan 2004-2008
 - 2004-2005 Adviser in Office of Administrative Affairs and Office of Chief of Staff to President on centre of government operations
 - 2006-2007 Adviser to Minister of Education on financial management, planning and structure of Ministry
 - 2008 Adviser in MoF on fiscal policy, medium term expenditure framework, budget operations, civil service and accountability structures
- In all cases worked with local and international participants

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Summary

- No two examples the same
- Ranged from highly bureaucratic traditions to complete absence of institutional memory
- Most cases with very low human capacity and even weaker process
- In some cases interventions were welcome – others resented
- It is usually too early to call it "Post Conflict"

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A Short Outline of Institutions (1)

- 'Core' or 'survival' functions of the State essential to the survival of the institutional framework
 - the security of the population and of the state, through control of borders and the control if not monopolisation of the use of violence
 - the ability to make and apply laws;
 - the ability to raise funds through taxation, to formulate and execute a national budget; and
 - to be seen to do all this fairly, impartially and ethically
- The Rules of the Game

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Building Institutional Strength in Afghanistan A Short Outline of Institutions (2)

- Fulfilment of these core functions helps improve the authority and legitimacy of the state in the eyes of its population.
- Public administration reform is a highly political activity
- Balancing the management of power and resources between political as well as - or instead of - service delivery ends may be required

Building Institutional Strength in Afghanistan A Short Outline of Institutions (3)

- An Important Question
- An Important Theme

“What is there to build on?”

“One size does not fit everyone.”

These two points are critical to local acceptance and building in even most basic interventions

Building Institutional Strength in Afghanistan Common Issues (1)

▪ Structural

- Incoherent Structures with overlapping functions or gaps or unclear lines of responsibility
- Central government capacity to ensure coherent decision making may be weak or non-existent;
- Policy decisions made without regard to resource constraints
- Weak follow up to policy decisions.
- Weak legislative and regulatory framework for public administration, creating extra opportunities for rent seeking and corruption.
- Procurement systems may be dysfunctional and there may be few or no mechanisms to enforce contracts.
- Inaccurate records on civil servants and other public sector employees; there may be large numbers of ghost workers and high rates of absenteeism.
- State owned enterprises waste resources, lose money and distort the labour market; there is little differentiation between 'state or public employees' and the 'civil service'.

Building Institutional Strength in Afghanistan Common Issues (2)

▪ Dilemmas

- Most scarce resource is time not money
 - Although Afghanistan is being done on the cheap
- Urgency can postpone adequate assessment of “the problems” and real improvement
- Short term stability requirements set up future “difficulties” especially on longer term costs of government or pain of lasting change
- Security is not just military, police and judiciary
- Donor interests can be disparate and require coordination

Building Institutional Strength in Afghanistan Common Issues (3)

▪ Political

- Immature political organisation systems based on shifting alliances
- Endemic patronage counters neutrality and equity requirements
- Poor incentive systems
- Endemic corruption and “impunity”
- Weak relationships between executive, legislature and judiciary

Building Institutional Strength in Afghanistan Common Issues (4)

▪ Security

- Large parts of the country may be inaccessible due to security concerns.
- It may be extremely dangerous to work with or on behalf of Government
- Defence, security, justice and intelligence institutions segregated from administrative reforms thus failing to address some of the key causes of insecurity and instability

Building Institutional Strength in Afghanistan Common Issues (5)

■ Capacity

- Few experienced and qualified professionals in government service or available to it
- Education system unable to deliver educated people, especially to higher positions; absorptive capacity may be weak.
- Physical infrastructure of government may be severely damaged, or non-existent.
- Physical assets of government are often dilapidated and obsolete (IT, transport, communications etc)
- Weak economy or failure to set or collect taxes results in low revenues
- Poor financial management adds to fiscal constraints to public administration financing and decision making.

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Building Institutional Strength in Afghanistan Some possible lessons

Sequencing is Important

- Decide on activities offering most payback on moving towards an enduring political settlement and increased security
- Find some appropriate and potentially fruitful quick wins for core and survival functions to assist in establishing political and public legitimacy
- Simultaneously develop a medium term strategy of support with buy in from high level government, international community, citizens
- Have a plan that is achievable, funded and realistic
- **Ensure strong links between Public Administration Reform, human rights, justice, rule of law and security stabilisation efforts.**
- Adopt an early strong focus on identifying local staff, internal leaders and incentives for local staff to promote and engage in reform.
- **START WITH SIMPLE THINGS BASED ON WHAT IS THERE.**

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■ Short History Of Afghanistan

- Isolated or Invaded for Centuries
- Pashtun tribes unified in 1747
- Buffer between Russian and British empires until 1919
- Democracy until 1973
- Coups, counter coups until Russian Intervention 1979-1989
- Civil War and Anarchy 1989-1996
- Taliban 1996-2001
- US-led response in 2001 including political reconstruction under UN outline
- Karzai Installed as President 2001
- New Constitution and Karzai elected President 2004
- Parliament elected 2005
- Second Presidential Election 2009
- Still unstable with weak central government

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■ Present Situation – Glass Half Full

- Constitution in place
- Two elections for President conducted 2004, 2009
- Government (Ministers) appointed under Constitution and making decisions with due process
- Parliament elected 2005
- Some Legislation passed including annual budgets from Government and civil service law
- Some economic growth esp in Kabul and some towns

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■ Present Situation – Glass Half Full

- Revenue collections in FY 2009 to projection
- 9 million children in school
- Significant improvement in major infrastructure, roads, power, irrigation, aviation
- Active free press
- Military and police taking more responsibility
- Small number of competent technocrats (incl some Ministers)
- Joint Coordination and Management Board to coordinate international activity with Government

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■ Present Situation – Glass Half Empty

- Karzai Administration is Incompetent, Corrupt and of Questionable Legitimacy with too many Faustian Bargains
 - Constitution does NOT mean Rule of Law
 - Civil Service is hopeless and unsustainable
 - Little Authority beyond Kabul
- Illicit economic activity swamps licit economic activity
 - Nuisance taxes also more than proper taxes
 - Both foster corruption with impunity
- Parliament is Opposition, Illiterate, Rapacious
- Some Aid investment captured by narrow interests
 - Irrigation improves poppy yield
- "Taliban" is winning insurgency and hearts and minds battle
- Afghanistan still near worst case socio economic statistics

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■ So, What is the Objective?

- **Develop and nurture governance structure that is regarded as a legitimate and sustainable option to the Taliban for provision of services and security (within an "Islamic Republic of Afghanistan") for the long run.**
- **Might include some current members of the Taliban if it is true that there are "layers" of commitment?**

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- That might mean some of the following elements
- Overall government capacity, accountability and legitimacy are equal to the task
- Existing laws, rules and procedures relevant [incl to public administration]
- Systems and capacity to manage human, financial and physical resources are improved and more widespread
- Capacity to make and implement policy on the basis of limited resources in government and parliament
- Appropriate incentive systems of reward and sanction
- Inter-governmental relations and local government capacity are improved
- Oversight and accountability mechanisms stronger
- Service delivery by government is greatly improved and reaches poor and disconnected people.

Building Institutional Strength in Afghanistan Some Ideas (1)

- The Army (and Police)
- Institutional capacity includes developing and training an army that is (among other things)
 - Not press ganged
 - Responsive to civilian government control and direction
 - Reasonably and regularly paid
 - Properly trained
 - Has good force structure and planning type support integrated into the Ministry of Defence
 - Sees its job as protecting the citizenry
- **This is no less than five year further commitment at (requested?) levels**

Building Institutional Strength in Afghanistan Some Ideas (2)

- Reinforce bottom up institution building
 - This is where the Taliban are winning
 - Use the CSP and PRT structure and possibly school boards in education, health,
 - Allow local bodies to set the priorities and control the money (start with small amounts) with post hoc reports
 - Local bodies to be elected and have governance rules
 - Move them gradually up the scale of projects
 - Mix of civilian/NGO and international military support

Building Institutional Strength in Afghanistan Some Ideas (3)

- Work on economic improvement
 - Create jobs as well as infrastructure
 - Might be linked to "alternative livelihoods" for poppy farmers in spite of recent experience
 - Must increase the tax base for long run sustainability and transfer of real decision making power to government
 - Make it easier to start and run a business
 - Infrastructure investment will continue to be important but strengthen links to specific policy objectives

Building Institutional Strength in Afghanistan Some Ideas (4)

- Whole of Government
 - Look for how to implement "pro poor" policies that target the least franchised portion of the population
 - Two groups in the latter are women and farmers (not poppy farmers)
 - Education and health have to be part of this somehow
 - Improve links to infrastructure investment strategies
 - Get serious about addressing high level corruption
 - Get women involved at higher levels
 - Technical education
 - Start again with Civil Service rebuild

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Some ideas (5)

- Other Things
- Reconsider Constitution?
 - Prime Minister (there has been one)?
 - Federation not unitary government?
- Work with Parliament on role, process etc
- Reinforce Auditor General and similar mechanisms
- Beef up support for Central Ministries, Central Bank, Presidential/Cabinet Office connection, Civil Service
- The security sector (Ministries of Defence, Interior and Justice) needs to be included, not separated
- All sides need to accept that international involvement will be at least a decade (and probably more)

Building Institutional Strength in Afghanistan Australia's Contribution

Competitive advantages

- Good governance
- Remote area education delivery
- Technical and further education
- Local government

- Strong military, ethical and well run.
 - Expand to fill the Dutch void (if they do withdraw)?

The Wrong Answer

- ***"If it were up to me I'd put a fence around this whole damn country and let the last survivor give the UN a call when it was all over."***

- Two reasons:
 1. It is too late for this option
 2. UN is not capable

- Quote is from Belgian soldier about Bosnia

Building Institutional Strength in Afghanistan Some Reading

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- Commentators:
 - Clive Williams, Visiting Fellow, Strategic and Defence Studies Centre, ANU
 - Armin Saikal, Professor of Political Science and Director of the Centre for Arab and Islamic Studies (The Middle East and Central Asia) ANU.
 - Paul McGeoch, Sydney Morning Herald.