

SUMMARY

The purpose of this evaluation is to critically review the situation in Afghanistan in the development policy context of Finland. The evaluation was commissioned by the Ministry for Foreign Affairs of Finland (MFA, Ministry) to offer an external independent opinion on the implementation and results of the aid programme, including its delivery mechanisms, partners, and volume, as well as on the degree to which plans have been adhered to, and to what extent the results anticipated have been achieved.

The Afghan Context and International Interventions

Afghanistan became an important beneficiary for international assistance in 2002 when the international community embarked on efforts to stabilize, democratize and reconstruct the country after years of conflict. Finland considers participation in the reconstruction of Afghanistan as an important part of Finnish and EU foreign, security and development policy, and international solidarity.

When considering the percentage of a country's total development aid, Finland ranks fourth as a donor after the USA, Norway and the UK, with 1.6% of its Official Development Assistance (ODA) destined for Afghanistan. In absolute terms, Finland is 17th highest of bilateral donors to Afghanistan according to Afghan Government statistics, and eighth of all OECD donors. In 2006, it was the second largest donor to the United Nations Environment Programme (UNEP) and the European Union Police Mission in Afghanistan (EUPOL) and the third largest to the Afghanistan Independent Human Rights Commission (AIHRC). It is noted that, if Finland increased its overall ODA funding, Afghanistan may drop in ranking as a percentage of total ODA.

Finland also enjoys broad popular support at home for its foreign engagements and therefore follows a relevant foreign policy in the eyes of its population. In the MFA's 2006 development cooperation public opinion poll, 86% of Finnish people surveyed said they thought development cooperation was important.. There is also a moral imperative recognized in Finland for providing an opportunity to nations whose citizens are mired in an unending cycle of poverty and violence. However, the domestic mood is becoming more uncertain about continued intervention in Afghanistan due to security and development setbacks of late.

Afghanistan has achieved some major milestones since 2001, culminating in the parliamentary and provincial elections of 2005 marking the end of the transition

phase, and the 2006 Afghanistan Compact that took it into a phase of long-term development. This is largely due to the impact to date of the policies and actions pursued by the international community, in which Finland has played an active part. However, there has also been some slippage over the last two years, marking reversals in the South and East. These areas are facing growing insecurity from a well-organized insurgency, suspected of being fuelled by massive increases in opium production. The sustainability of the combined international effort is still an open question.

There are growing concerns among Afghans and international observers about the ineffectual leadership and governance that are adding to the population's frustration and loss of confidence in their government. The initial support enjoyed by the transitional authorities from 2002 to 2005 has been seriously eroded by its inability to provide essential services, especially security, throughout the country. People can see, and strongly resent, the impunity enjoyed by former warlords and their continued enrichment at the expense of ordinary people through perceived corrupt practices. The likely consequences of things continuing as they are include growing insecurity, an increasingly hostile population toward foreign presence, and a gradual resurgence of support for the Taliban.

Despite the high amounts of aid received since 2001 Afghanistan continues to be one of the poorest developing countries in the world. This is due to a complex mix of factors; it would be erroneous to seek here an indication that development aid, or the way it is administered, has not worked. Independent constraints are severe, and the time scale needed to achieve impact is much longer. Consideration must be given to the geographical obstacles. Insecurity in the country, inadequate laws and weak regulations act as a deterrent to some forms of private investment but have helped others that flourish, precisely because of the absence of these factors. Development cooperation alone will not pull Afghanistan out of poverty, but must come in combination with other strategies.

Within the deteriorating operating environment the question has to be asked if international assistance to Afghanistan will be able to make a difference, if it can be ultimately successful in steering the country towards a clear path to peace and development. A corresponding question must also be asked as to whether the way in which aid has been given, and whether the programmes that have been funded, have been the right ones.

Earlier evaluations and studies have noted that international assistance has achieved notable successes, including:

- Improvement in coverage of the population's basic needs, livelihoods, health and education, though human development indicators are still very low.
- Return of refugees and internally displaced persons (IDPs): 3.5 million estimated to have returned since 2002.
- Economic growth: estimated at 25% between 2002 and 2004.
- Civil administration: government institutions in place at central and provincial levels, though still in great need of capacity-building.
- Improved security in many parts of the country: apart from isolated incidents the north and west of the country are mostly free of conflict.
- Progress in demining: over one-third of the mined area has been demined.

On the other hand there are notable deficiencies in the following areas:

- Military: despite the deployment today of three times as many troops as in 2001 and 2002, the insurgency has continued to grow.
- Rural development: the early failure to stabilize and channel development aid to the rest of the country outside Kabul, especially to the agriculture sector, represented a missed opportunity to restore calm and to build up alternative livelihoods to opium poppy cultivation; this has led to not only exacerbating the conflict in already unstable areas but also in allowing the insurgency to spread to previously calm areas.
- Justice: insufficient support to build up the legal sector has resulted in continuing impunity for warlords and continuing lawlessness throughout much of the country. This should have been a high priority right from the beginning of international intervention. It is truly incredible that, six years later, it is still only in its infancy.
- Setting unrealistic goals: many of the timelines by which certain benchmarks are due to be achieved are unrealistic, i.e. the expectation of a viable national army and police by 2010.
- Programme design and planning: the rush to disburse funds has led to inadequate design of some programmes and insufficient monitoring, fuelling corruption.

This is a record of missed opportunities, insufficient early investment in stabilization and inadequate targeting of resources. There are reasons for this lack of coherence that

have been pointed out in different studies. These are partly due to the constraints of working in difficult post-conflict environments such as Afghanistan. Rather than dismiss the international community as deficient administrators of precious resources, it is necessary to recognize that these constraints are likely to recur in similar circumstances, and review the modalities of intervention.

Despite these deficiencies and given the particular ‘Sword of Damocles’ that Afghanistan holds over the future of national, regional and global peace and stability, the evaluation concludes that there is no alternative but for Finland to continue to support international efforts, while seeking specific improvements. This constitutes a necessary condition for the creation of a state genuinely based on rule of law.

The evaluation has captured these findings in four key points, which are further developed in specific points listed below:

- There are clearly some perverse effects of international assistance, also some gains since 2001.
- However many programmes which have been funded have a high impact potential.
- As at this point, Afghanistan could enter into a process of development or remain conflict prone; this is an important time for continuity.
- Finland is making a valuable investment in Afghanistan, but more consideration of possible negative consequences is required.