

Evaluation

Finnish Aid to Afghanistan



Evaluation report 2007:1

**MINISTRY FOR FOREIGN AFFAIRS OF FINLAND
DEPARTMENT FOR DEVELOPMENT POLICY**

REPORT 2006:3	Review of Finnish Microfinance Cooperation ISBN: 951-724-569-6, (printed), ISBN: 951-724-570-X (pdf), ISSN: 1235-7618
REPORT 2006:2	Evaluation of CIMO North-South Higher Education Network Programme ISBN: 951-724-549-1, ISSN: 1235-7618
REPORT 2006:1	Evaluation of Environmental Management in Finland's Development Cooperation ISBN: 951-724-546-7, ISSN: 1235-7618
REPORT 2005:6	Evaluation of Support Allocated to International Non-Governmental Organisations (INGO) ISBN: 951-724-531-9, ISSN: 1235-7618
REPORT 2005:5	Evaluation of the Service Centre for Development Cooperation in Finland (KEPA) ISBN: 951-724-523-8, ISSN: 1235-7618
REPORT 2005:4	Gender Baseline Study for Finnish Development Cooperation ISBN: 951-724-521-1, ISSN: 1235-7618
REPORT 2005:3	Evaluation of Finnish Health Sector Development Cooperation 1994–2003 ISBN: 951-724-493-2, ISSN: 1235-7618
REPORT 2005:2	Evaluation of Finnish Humanitarian Assistance 1996–2004 ISBN: 951-724-491-6, ISSN: 1235-7618
REPORT 2005:1	Ex-Ante Evaluation of Finnish Development Cooperation in the Mekong Region ISBN: 955-742-478-9, ISSN: 1235-7618
REPORT 2004:4	Refocusing Finland's Cooperation with Namibia ISBN: 955-724-477-0, ISSN: 1235-7618
REPORT 2004:3	Evaluation of the Development Cooperation Activities of Finnish NGOs and Local Cooperation Funds in Tanzania ISBN: 951-724-449-5, ISSN: 1235-7618
REPORT 2004:2	Evaluation of Finland's Development Cooperation with Bosnia and Herzegovina ISBN: 951-724-446-0, ISSN: 1235-7618
REPORT 2004:1	Evaluation of Finnish Education Sector Development Cooperation ISBN: 951-724-440-1, ISSN: 1235-7618
REPORT 2003:3	Label Us Able – A Pro-active Evaluation of Finnish Development co-operation from the disability perspective ISBN 951-724-425-8, ISSN 1235-7618
REPORT 2003:2 PART 2	Evaluation of Finnish Forest Sector Development Co-operation ISBN 951-724-416-9 ISSN 1235-7618
REPORT 2003:2 PART 1	Evaluation of Finnish Forest Sector Development Co-operation ISBN 951-724-407-X, ISSN 1235-7618
REPORT 2003:1	Evaluation of the Finnish Concessional Credit Scheme ISBN 951-724-400-2, ISSN 1235-7618
REPORT 2002:9	Evaluation of the Development Cooperation Activities of Finnish NGOs in Kenya ISBN 951-724-392-8, ISSN 1235-7618
REPORT 2002:8	Synthesis Study of Eight Country Programme Evaluations ISBN 951-724-386-3, ISSN 1235-7618
REPORT 2002:7	Review of Finnish Training in Chemical Weapons Verification ISBN 951-724-378-2, ISSN 1235-7618

Evaluation

Finnish Aid to Afghanistan

Evaluation report 2007:1

Evaluation

Finnish Aid to Afghanistan

Anne Davies

Juha-Matti Seppänen

Hassina Sherjan

Kristiina Rintakoski (Quality Assurance)

Emery Brusset (Quality Assurance)

Evaluation report 2007:1

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND
DEPARTMENT FOR DEVELOPMENT POLICY

This evaluation was commissioned by the Ministry for Foreign Affairs of Finland to Channel Research in cooperation with Crisis Management Initiative. The Consultants bear the sole responsibility for the contents of the report. The report does not necessarily reflect the views of the Ministry for Foreign Affairs of Finland.

According to the evaluation principles and ethics of the Ministry for Foreign Affairs of Finland, no direct quotation of the informants are included in this report.

Hard copies of the report can be requested from KEO-08@formin.fi

ISBN 978-951-724-634-7 (printed)

ISBN 978-951-724-635-4 (pdf)

ISSN 1235-7618

Cover Photo: Sam Karvonen

Cover Design and Layout: Anni Palotie

Printing House: Hakapaino Oy, Helsinki, 2008

CONTENTS

PREFACE	iii
ACRONYMS	v
ABSTRACTS	1
Finnish	1
Swedish	3
English	5
SUMMARIES	7
Finnish	7
Swedish	11
English	15
1 INTRODUCTION	19
2 EVALUATION FINDINGS BY CRITERIA	20
3 EVALUATION PURPOSE AND OBJECTIVES	24
3.1 Purpose	24
3.2 Objectives	24
3.3 Evaluation Methods	24
3.4 Evaluation Schedule	26
3.5 Evaluation Limitations	27
4 THE AFGHAN CONTEXT FOR AID PROVISION	27
4.1 Aid Effectiveness in Fragile States	28
4.2 Intervention Background	30
4.2.1 Factors Informing and Influencing Decisions	30
4.2.2 Finland's Approaches to its Assistance Programme in Afghanistan	32
5 EVALUATION FINDINGS	35
5.1 Inner Circle: Helsinki Level of Analysis	35
5.2 Middle Circle: Analysis of Partners, Implementers and Mechanisms ..	37
5.2.1 The Government of Afghanistan	39
5.2.2 Multi-Donor Trust Funds (MDTFs)	42
5.2.3 UN Agencies	44
5.2.4 Security Sector Reform	44
5.2.5 Support to Finnish NGOs	46
5.2.6 Humanitarian Aid	47
5.2.7 Local Cooperation Funds	48
5.2.8 Coordination	49
5.3 Outer Circle: Sector and Population Analysis	50

5.3.1	Afghanistan Reconstruction Trust Fund (ARTF)	51
5.3.2	Law and Order Trust Fund (LOTFA)	57
5.3.3	United Nations Office for Drugs and Crime (UNODC)	60
5.3.4	United Nations Environment Programme (UNEP).....	62
5.3.5	Provincial Reconstruction Team (PRT)	63
5.3.6	Afghanistan Independent Human Rights Commission (AIHRC)	65
5.3.7	Marie Stopes International (MSI)	66
5.4	Cross-Cutting Issues	66
5.4.1	Anti-Corruption Efforts	66
5.4.2	Conflict Sensitivity	67
6	CONCLUSIONS AND RECOMMENDATIONS	70
	REFERENCES	79
	ANNEX 1 TERMS OF REFERENCE	82
	ANNEX 2 LIST OF INTERVIEWS	92
	ANNEX 3 ANSWERS TO EVALUATION QUESTIONS	96
	ANNEX 4 FUNDING TABLE	101
	ANNEX 5 EVALUATION TEAM COMPOSITION	103

PREFACE

Since 2002, Afghanistan has been an important beneficiary for international assistance. The international community has embarked on an effort to stabilize, democratize and reconstruct the country torn by years of conflict and instability. Also Finland participates in this effort. In percentage terms, Finland ranks fourth as a donor after USA, Norway and the United Kingdom, with 1.6% of its ODA having been allocated to Afghanistan.

In the autumn 2007, a decision was made to evaluate the aid programme of Finland to Afghanistan from its inception to-date. The purpose of the evaluation was to obtain a critical view of the relevance and results so far of the Finnish aid in this country. The evaluation work was commissioned to Channel Research from Belgium, which worked together with Crisis Management Initiative from Finland and a local expert from Afghanistan. The evaluation was carried out by Ms. Anne Davies, Mr. Juha-Pekka Seppänen and Ms. Hassina Sherjan. Ms. Kristiina Rintakoski and Mr. Emery Brusset were in charge of the Quality Assurance. The evaluation was finalized by 12 November 2007.

The evaluation report concludes that Afghanistan has achieved some major milestones since 2001. According to the evaluation findings, Finland is making a valuable contribution and the Finnish development assistance is relevant to the international solidarity intervention in Afghanistan, to the needs of the beneficiaries and to its own aid policy goals. Yet, the report also points out areas in which the Finnish aid has been less relevant and successful and offers recommendations on how to rectify the situation. Moreover, the evaluation states that Finland has achieved coherence in harmonizing its contributions with national priorities and that its overall assistance achieves the aim of the joined-up programming, channeled through a number of different aid instruments – political, humanitarian, environmental, development, human rights and peace-keeping. The evaluation also makes critical remarks on major problems, which threaten the democratization and reconstruction of the country.

The evaluation environment in Afghanistan was challenging. The timing of the evaluation was such that decisions on the future aid portfolio were being discussed at the political level in Finland, which added to the importance and challenge of this evaluation. Indeed, after the finalization of the evaluation report by 12 November 2007, the results of it benefited directly the policy level decision-making of Finland's

future participation in the reconstruction and development of Afghanistan. The current evaluation did not look at the NGO-aid portfolio in the country, and therefore, one of the recommendations of the evaluation was that Finland should evaluate separately the involvement of Finnish NGOs in Afghanistan.

Helsinki, 12 December 2007

Aira Päivöke
Director
Unit for Evaluation and Internal Auditing

ACRONYMS

AIHRC	Afghanistan Independent Human Rights Commission
ANDS	Afghanistan National Development Strategy
ANP	Afghanistan National Police
ANAP	Afghanistan National Auxiliary Police
ARTF	Afghanistan Reconstruction Trust Fund
AREU	Afghanistan Research and Evaluation Unit
CDC	Community Development Council
DAC	Development Assistance Committee at the OECD
DFID	United Kingdom Department for International Development
DG RELEX	Directorate-general for the External Relations of European Commission
DG AIDCO	EuropeAid Cooperation Office
ECHO	European Community Humanitarian Office
EU	European Union
EUPOL	European Union Police Mission
GoA	Government of Afghanistan
GDP	Gross Domestic Product
I-ANDS	Interim Afghanistan National Development Strategy
IDP	Internally Displaced Person
ICG	International Crisis Group
IEG	Independent Evaluation Group
INGO	International Non-governmental Organisation
ISAF	International Security Assistance Force
JCMB	Joint Coordination and Monitoring Board
LOTFA	Law and Order Trust Fund Afghanistan
MDG	Millennium Development Goal
MDTF	Multi-Donor Trust Fund
MFA	Ministry for Foreign Affairs of Finland
MISFA	Microfinance Investment Support Facility to Afghanistan

MoF	Ministry of Finance
MRRD	Ministry of Rural Rehabilitation and Development
MSI	Marie Stopes International
NATO	North Atlantic Treaty Organization
NGO	Non-Governmental Organisation
NORAD	Norwegian Agency for Development Cooperation
NPP	National Priority Programme
NSP	National Solidarity Programme
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PRT	Provincial Reconstruction Team
TA	Technical Assistant
ToR	Terms of Reference
UN	United Nations
UNAMA	United Nations Assistance Mission to Afghanistan
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNHCR	Office Of The United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMAS	United Nations Mine Action Service
UNODC	United Nations Office for Drugs and Crime
USAID	United States Agency for International Development
WFP	World Food Programme
WGA	Whole-of-Government Approach

Evaluaatio Suomen kehitysavusta Afganistanille

*Anne Davies, Juha-Matti Seppänen, Hassina Sherjan,
Kristiina Rintakoski ja Emery Brusset*

Ulkoasiainministeriön evaluointiraportti 2007:1

ISBN 978-951-724-634-7 (painettu); ISBN 978-951-724-635-4 (pdf);
ISSN 1235-7618

Raportti on luettavissa kokonaisuudessaan osoitteessa <http://formin.finland.fi/>

TIIVISTELMÄ¹

Afganistanista tuli merkittävä kansainvälisen avun kohde vuonna 2002, kun kansainvälinen yhteisö ryhtyi tukemaan maan vakauttamista, demokratisointia ja uudelleenrakentamista vuosia kestäneen konfliktin jälkeen. Afganistan on edelleen yksi maailman köyhimmistä maista ja kehitysavulle haasteellinen toimintaympäristö. Myös turvallisuushaaste on todellinen. Suomi tukee Afganistania kehitysyhteistyövaroin n. 11.8-12.5 milj. euroa vuosittain.

Evaluoinnin tarkoituksena oli antaa kriittinen näkemys Suomen kehityspolitiikan tuloksellisuudesta ja avun tarkoituksenmukaisuudesta Afganistanissa.

Raportti toteaa, että Suomen apu Afganistanissa on arvostettua, johdonmukaista ja pääosin todelliseen tarpeeseen vastaavaa. Kuitenkin, toiminnan mahdollisiin kielteisiin seurauksiin tulisi kiinnittää enemmän huomiota, koska on ilmeistä, että osa myönnetystä tuesta on vaikuttanut tuen tavoitteiden vastaisesti. Esimerkiksi huumeteollisuutta vastaan käytettyjen varojen vaikutus on ollut päinvastainen tavoitteisiin nähden. Monilla Suomen tukemilla ohjelmilla on kuitenkin hyvät mahdollisuudet kasvaa merkittäviksi toimijoiksi. Raportti kiinnittää huomiota lähes kokonaan puuttuvaan kansainvälisten avunantajien koordinaatioon, jossa Euroopan Unionilla, ja Suomella sen jäsenenä, voisi olla vahvempi rooli. Raportti toteaa, että hallinnon korkeata tasoa myöten rehtaa korruptio. Evaluaatio arvioi kuitenkin, että maalla on mahdollisuuksia päästä kehityksen tielle, vaikka ongelmat ovatkin mittavat ja voivat helposti viedä myös takaisin sekasortoon ja konfliktiin.

¹Tiivistelmä on laadittu Ulkoasiainministeriön kehityspoliittisen osaston evaluoinnin ja sisäisen tarkastuksen yksikössä.

Evaluaatio suosittaa, että Suomen tulisi osaltaan vahvistaa kansainvälistä painetta korruptoituneiden korkea-arvoisten virkamiesten erottamiseksi. Suomen tulisi myös aktiivisemmin etsiä uudenlaisia ratkaisuja Afganistanin keskeisimpiin ongelmiin. Afgaaniyhteiskunnan länsimaisia avustusjärjestöjä kohtaan tuntemaa epäluuloa tulisi pyrkiä hälventämään lisäämällä tiedotustoimintaa kaikilla yhteiskunnan tasoilla.

Afganistanissa toimii myös joukko suomalaisia kansalaisjärjestöjä. Evaluaatio suosittaa, että Ulkoasiainministeriö muistuttaisi kaikkia maassa tukemiaan kansalaisjärjestöjä niiden antamasta sitoumuksesta noudattaa kansalaisjärjestöjä koskevaa menettelytapaohjetta, joka kieltää käännytystyön. Suomen kehitysavun asiallisen käytön varmistamiseksi tulisikin teettää oma evaluaatio tuettujen kansalaisjärjestöjen toiminnasta Afganistanissa.

Avainsanat: Afganistan, evaluaatio, maaohjelma

Utvärdering av det finska biståndet till Afghanistan

*Anne Davies, Juha-Matti Seppänen, Hassina Sherjan,
Kristiina Rintakoski och Emery Brusset.*

Finska utrikesministeriets utvärderingsrapport 2007:1

ISBN 978-951-724-634-7 (print); ISBN 978-951-724-635-4 (pdf);
ISSN 1235-7618

Rapporten i sin helhet kan läsas under <http://formin.finland.fi/>

ABSTRAKT²

Afghanistan blev en betydande mottagare av internationellt bistånd år 2002 då det internationella samfundet inledde insatser för att stabilisera och återuppbygga landet och stödja den demokratiska utvecklingen efter flera år av konflikter. Afghanistan är fortfarande ett av de fattigaste länderna i världen och ett utmanande område för biståndsarbetet. Området lever under ett akut säkerhetshot. Finlands bidrag till Afghanistan uppgår till omkring 11.8-12.5 miljoner euro per år.

Målet för denna utvärdering har varit att utföra en kritisk analys över det finska utvecklingsbiståndets relevans och resultat i Afghanistan.

Rapporten konstaterar att Finland är en högaktad biståndsgivare och att det finska biståndet är följdriktigt och relevant med tanke på prioriteterna i Afghanistan. Dock måste större uppmärksamhet ägnas åt eventuella negativa konsekvenser varav några pekas ut i rapporten. T.ex. biståndet för att motarbeta knarkindustrin i Afghanistan har haft en motsatt effekt än den planerade. Utvärderingen varnar emellertid om att situationen är så invecklad att det inte går att göra enkla analyser av orsak och verkan. Många av de program som finansieras av Finland har haft en positiv effekt eller så har de en hög effektivitetspotential. Rapporten påpekar att samordningen mellan olika biståndsgivare i Afghanistan har varit bristfällig och att EU, och Finland i egenskap av medlemsstat, kunde ha en starkare roll att spela på detta område. Korruptionsproblemen är våldsamma, i synnerhet bland högsatta afghanska tjänstemän, och detta har bidragit till en växande misstro mot regeringen. Rapporten påpekar att trots Afghanistans höga utvecklingspotential och befolkningens längtan

² Abstraktet har utarbetats av enheten för utvärdering och intern revision i Utrikesministeriets utvecklingspolitiska avdelning.

efter fred och säkerhet lider landet av allvarliga och omfattande problem som kan göra att det åter störtar ner i kaos och konflikter.

Rapporten rekommenderar att Finland förstärker sitt stöd till internationella påtryckningar att avsätta högsatta korrumperade afghanska tjänstemän. Finland borde också arbeta aktivare för att hitta nya lösningar till nyckelproblemen i Afghanistan. Kommunikationen med det afghanska samhället måste stärkas på samtliga nivåer för att skingra de misstankar som många afghaner har mot västerländska biståndsorganisationer.

Ett flertal finska enskilda organisationer (NGO) är verksamma i Afghanistan. Rapporten föreslår att det finska utrikesministeriet påminner alla understödda NGO om spelreglerna för enskilda organisationer, som bl.a. förbjuder proselytism. I syfte att säkra att de finska medlen används på rätt sätt borde ministeriet även låta utvärdera alla enskilda organisationer som är verksamma i Afghanistan.

Nyckelord: Afghanistan, utvärdering, landsprogram

Evaluation of Finnish Aid to Afghanistan

*Anne Davies, Juba-Matti Seppänen, Hassina Sherjan
Kristiina Rintakoski and Emery Brusset*

Evaluation Report of the Ministry for Foreign Affairs of Finland 2007:1

ISBN 978-951-724-634-7 (printed); ISBN 978-951-724-635-4 (pdf);
ISSN 1235-7618

The full report can be accessed at <http://formin.finland.fi/>

ABSTRACT³

Afghanistan became an important beneficiary of international assistance in 2002 when the international community embarked on efforts to stabilize and reconstruct the country and to support its democratic development after years of conflict. Afghanistan is still one of the world's poorest countries and a challenging operating environment for aid work. The threat to security is acute. Finland's annual aid to Afghanistan is around 11.8-12.5 million euros.

The purpose of this evaluation was to critically review the relevance and results of Finnish development aid in Afghanistan.

The report states that Finland is a respected donor and that Finnish aid is coherent and relevant to the priorities in Afghanistan. However, more consideration of possible negative consequences is required, and the evaluation points out how part of the aid may have had adverse effects. For example, the impact of aid spent on weakening the narcotics industry in Afghanistan appears to have had the opposite effect of that intended, but the evaluation cautions that the complexities involved do not permit simple cause and effect calculations. Many programmes funded by Finland are having a positive impact, or have a high impact potential. The report takes note of the coordination shortcomings of the various donors in Afghanistan and suggests that this is an area where the EU, and Finland as a member state, could have a stronger role. Corruption is rampant, especially at high levels of the Afghan administration, contributing to growing popular disenchantment with the government. The report states that, despite the Afghanistan's development potential and its population's desire for peace and security, it could, due to its vast problems, plunge back into turmoil and conflict.

³ The Abstract was written by the Unit for Evaluation and Internal Auditing of the Department of Development Policy of the Ministry for Foreign Affairs of Finland.

The report recommends that Finland should more firmly support international pressure to remove corrupt high-level Afghan officials from office. Finland should also more actively look for innovative solutions to the key problems in Afghanistan. Communication with Afghan society at all levels must be strengthened in order to dispel suspicions many Afghans have towards western aid organisations

A number of Finnish NGOs operate in Afghanistan. The report suggests that the Ministry for Foreign Affairs of Finland (MFA) should remind all NGOs supported by the MFA of the necessity to adhere to the NGO Code of Conduct, which prohibits proselytism. In order to ensure the proper use of Finnish funding to NGOs, the MFA should also commission an evaluation of those NGOs working in Afghanistan.

Key words: Afghanistan, evaluation, country programme

YHTEENVETO

Tässä arvioinnissa tarkastellaan kriittisesti Afganistanin tilannetta suhteessa Suomen kehitysyhteistyöpolitiikkaan. Arvioinnin on tilannut Suomen ulkoasiainministeriö, joka halusi riippumattoman ulkopuolisen arvion tukiohjelman täytäntöönpanosta ja tuloksista, myös tuen toimitusmekanismeista, tukiohjelmaan osallistuneista kumppaneista, tuen määrästä sekä siitä, kuinka tarkkaan suunnitelmia on noudatettu ja missä määrin ennakoitujen tulokset on saavutettu.

Afganistanin tilanne ja kansainväliset toimenpiteet

Afganistanista tuli merkittävä kansainvälisen avun saaja vuonna 2002, jolloin kansainvälinen yhteisö käynnisti maassa vakautus-, demokratisointi- ja jälleenrakennustyöt vuosia kestäneiden konfliktien jälkeen. Suomi pitää osallistumista Afganistanin jälleenrakentamiseen merkittävänä osana Suomen ja Euroopan unionin ulko-, turvallisuus- ja kehitysyhteistyöpolitiikkaa sekä kansainvälisen yhteisvastuun kantamista.

Suomi on Yhdysvaltojen, Norjan ja Yhdistyneen kuningaskunnan jälkeen prosentuaalisesti neljänneksi suurin avunantajamaa suhteessa kehitysapunsa kokonaismäärään. Afganistan saa Suomen julkisesta kehitysavusta 1,6 %. Kun Afganistanille annettua apua mitataan absoluuttisissa määrissä, Suomi on afgaanihallituksen tilastojen mukaan sijalla 17. Taloudellisen yhteistyön ja kehityksen järjestön (OECD) avunantajamaista Suomi on kahdeksanneksi suurin. Vuonna 2006 Suomi oli Yhdistyneiden Kansakuntien ympäristöohjelman (UNEP) ja Euroopan unionin Afganistanissa toteuttaman poliisioperaation (EUPOL) toiseksi suurin avunantajamaa sekä Afganistanin riippumattoman ihmisoikeuskomission (AIHRC) kolmanneksi suurin tukija. On huomattava, että jos Suomi lisäisi julkisen kehitysapunsa kokonaismäärää, Afganistanin prosentuaalinen osuus siitä saattaisi laskea.

Suomen kansalaiset kannattavat laajalti hallituksensa ulkopoliittisia sitoumuksia ja pitävät sen ulkopoliittikkaa merkittävänä. Vuonna 2006 ulkoasiainministeriö teki kehitysyhteistyötä koskevan mielipidetutkimuksen, jonka mukaan 86 % haastatelluista kansalaisista piti kehitysyhteistyötä tärkeänä. Suomalaiset katsovat myös, että heillä on moraalinen velvollisuus auttaa maita, joiden kansalaiset elävät köyhyyden ja väkivallan loputtomassa kierteessä. Viime aikoina tapahtuneiden turvallisuuteen ja kehitykseen liittyvien takaiskujen vuoksi suomalaiset ovat kuitenkin alkaneet suhtautua epäilevämmiin toimenpiteiden jatkamiseen Afganistanissa.

Afganistanissa on saavutettu vuoden 2001 jälkeen muutamia merkittäviä välitavoitteita. Niistä tärkein oli vuonna 2005 pidetty parlamentti- ja maakuntavaalit, jotka merkitsivät siirtymävaiheen päättymistä. Vuonna 2006 hyväksyttiin Afganistanin viisivuotinen kehitysstrategia (*Afghanistan Compact*), jonka myötä maata ryhdyttiin kehittämään pitkällä aikavälillä. Nämä saavutukset ovat johtuneet pitkälti kansainvälisen yhteisön politiikasta ja toimista, joihin Suomi on osallistunut aktiivisesti. Kahden viimeisen vuoden aikana tilanne on kuitenkin kääntynyt joiltakin osin huonompaan suuntaan Afganistanin etelä- ja itäosissa. Näiden alueiden turvallisuutta heikentää järjestäytynyt kapinointi, jota oopiumintuotannon voimakkaan kasvun uskotaan lisäävän. Kansainvälisten yhteistoimien jatkuvuus on yhä avoin kysymys.

Afgaanit ja kansainväliset tarkkailijat ovat enenevässä määrin huolissaan maan johdon ja hallinnon tehottomuudesta, mikä voimistaa kansalaisten turhautuneisuutta ja epäluottamusta hallitusta kohtaan. Alkuvaiheen kannatus, jota siirtymävaiheen viranomaiset saivat osakseen vuosina 2002-2005, on heikentynyt siksi, ettei hallitus ole kyennyt tarjoamaan välttämättömiä palveluja eikä etenäkään pitämään huolta koko maan turvallisuudesta. Kansa on huomannut ja vastustaa voimakkaasti sitä, ettei entisiä sotapäälliköitä ole rangaistu vaan että he rikastuvat jatkuvasti korruption keinoin tavallisen kansan kustannuksella. Ellei tilanne muutu nykyisestä, on todennäköistä, että turvattomuus kasvaa ja että väestö alkaa suhtautua yhä vihamielisemmin ulkomaalaisten läsnäoloon ja ryhtyy osoittamaan uudelleen tukeaan talibaaneille.

Vaikka Afganistan on saanut paljon apua vuodesta 2001 lähtien, se on edelleen yksi maailman köyhimmistä kehitysmaista. Tämä johtuu monesta eri syystä eikä siis ole merkki siitä, ettei kehitysavusta olisi ollut apua tai että sitä olisi annettu väärällä tavalla. Tuen vaikutuksia heikentävät erilaiset, toisistaan riippumattomat tekijät, ja tulosten saavuttaminen vie paljon aikaa. Myös maantieteelliset rajoitteet on otettava huomioon. Koska Afganistanin turvallisuustilanne on heikko ja lait ja määräykset ovat riittämättömiä, maa ei vedä puoleensa tietynlaisia yksityisiä sijoituksia. Toisaalta juuri samat tekijät houkuttelevat toisenlaisia sijoituksia, jotka kukoistavat maassa. Afganistanin köyhyyttä ei onnistuta poistamaan pelkällä kehitysyhteistyöllä, vaan lisäksi tarvitaan muita strategioita.

Kun toimintaympäristö huononee, on pohdittava, voidaanko Afganistanille annettavalla kansainvälisellä avulla saada aikaan tuloksia ja onnistutaanko sillä viime kädessä ohjaamaan maa rauhan ja kehityksen tielle. Vastaavasti on myös arvioitava, onko apua annettu oikealla tavalla ja ovatko rahoitetut ohjelmat olleet oikeanlaisia.

Aikaisemmissa arvioinneissa ja tutkimuksissa on todettu, että kansainvälisellä avulla on ollut huomattavan hyviä vaikutuksia, joista voidaan mainita seuraavia:

- Väestön perustarpeiden täyttämisessä, toimeentulossa, terveydenhuollossa ja koulutuksessa on tapahtunut kehitystä, vaikka inhimillisen kehityksen indikaattorit ovat yhä varsin matalat.
- Vuoden 2002 jälkeen Afganistaniin on palannut arviolta 3,5 miljoonaa pakolaista ja evakkoa.
- Afganistanin talous kasvoi vuosina 2002-2004 arviolta 25 %.
- Valtion ja maakuntien siviilihallintoelimet toimivat, vaikka niiden voimavaroja onkin edelleen kehitettävä huomattavasti.
- Turvallisuus on lisääntynyt maan monissa osissa: yksittäisiä välikohtauksia lukuun ottamatta maan pohjois- ja länsiosissa ei juuri tapahdu selkkauksia.
- Miinanraivaustyöt etenevät: miinoitetuista alueista on raivattu yli kolmannes.

Toisaalta seuraavilla alueilla on havaittavissa huomattavia puutteita:

- Armeija: vaikka joukkojen määrä on nykyisin kolminkertainen vuosiin 2001 ja 2002 verrattuna, kapinoiden määrä on jatkanut kasvuaan.
- Maaseudun kehitys: Koska kehitysapua ei vakautettu ja kanavoitu alusta alkaen myös Kabuln ulkopuolelle eikä varsinkaan maatalousalalle, menetettiin tilaisuus palauttaa rauha näille alueille ja kehittää vaihtoehtoisia elinkeinoja oopiumin tuotantoon tarkoitetun unikon viljelylle. Tämän takia konfliktit ovat pahentuneet entuudestaan epävakailta alueille ja kapinat ovat levinneet myös alueille, joilla oli ennen rauhallista.
- Oikeuslaitos: Koska oikeuslaitoksen kehittämistä ei ole tuettu riittävästi, sotapäälliköitä ei ole vielä rangaistu ja laittomuudet jatkuvat monissa osissa maata. Oikeuslaitoksen kehittäminen olisi pitänyt asettaa etusijalle kansainvälisten toimien alusta asti. On uskomatonta, että tilanne on kuuden vuoden jälkeen tältä osin yhä lapsenkengissä.
- Epärealististen tavoitteiden asettaminen: Monet määrääjat, joihin mennessä tietyt asiat on tarkoitus saavuttaa, ovat epärealistisia. Esimerkkinä mainittakoon toimintakykyisen armeijan ja poliisin kehittäminen maahan vuoteen 2010 mennessä.

- Ohjelmien suunnittelu: koska määrärahat on haluttu maksaa nopeasti, joidenkin ohjelmien suunnittelu on ollut epätarkoituksenmukaista ja seuranta riittämätöntä, mikä on edistänyt korruptiota.

Afganistanissa on menetetty useita mahdollisuuksia, maan vakauttamiseen ei ole käytetty varhaisvaiheessa riittävästi varoja eikä resursseja ole kohdennettu tarkoituksenmukaisella tavalla. Näistä syistä toimet ovat olleet epäjohtonmukaisia, mikä on tuotu esiin eri tutkimuksissa. Nämä ongelmat johtuvat osittain siitä, että Afganistanin kaltaisissa, selkkauksista toipuvissa ympäristöissä on vaikeaa työskennellä. Siksi kansainvälistä yhteisöä ei ole välttämättä perusteltua syyttää arvokkaiden resurssien huonosta hallinnoinnista eikä sitä kannata sivuuttaa tässä työssä. Sen sijaan on pikemminkin otettava huomioon, että tällaisia rajoitteita syntyy todennäköisesti samankaltaisissa olosuhteissa, ja tarkistettava toimintatapoja.

Vaikka arvioinnissa mainitaan nämä puutteet ja otetaan huomioon se, kuinka suuri vaikutus Afganistanilla on maan, alueen ja koko maailman rauhaan ja vakauteen, siinä myös todetaan, että Suomen ainoana vaihtoehtona on jatkaa kansainvälisten toimien tukemista ja etsiä samalla tarkkoja keinoja parantaa tilannetta. Tämä on välttämätöntä todellisen oikeusvaltion luomisen kannalta.

Arvioinnin tulokset voidaan tiivistää neljään seuraavaan ydinkohtaan:

- Vaikka vuodesta 2001 annetulla kansainvälisellä avulla on saatu aikaan edistystä, sillä on selvästi ollut myös kielteisiä vaikutuksia.
- Tästä huolimatta monilla rahoitusta saaneilla ohjelmilla on mahdollista saada aikaan merkittäviä tuloksia.
- Tämänhetkinen tilanne on se, että Afganistanissa voi käynnistyä kehitysprosessi tai se voi jäädä konfliktialttiiksi maaksi. Siksi nämä ajat ovat jatkuvuuden kannalta tärkeitä.
- Suomen tuki Afganistanille on arvokasta, mutta sen mahdollisiin haittavaikutuksiin on kiinnitettävä enemmän huomiota.

SAMMANFATTNING

Denna utvärdering syftar till att fungera som en kritisk granskning av läget i Afghanistan mot bakgrunden av Finlands utvecklingspolitik. Utvärderingen har beställts av finska utrikesministeriet med avsikt att få en utomstående och opartisk åsikt om biståndsprogrammets tillämpning och resultat. Man har granskat programmets omfattning och partner, hur programmet har förverkligats och graden i vilken planerna har följts och de förutspådda resultaten har uppnåtts.

Utgångsläget i Afghanistan och internationella interventioner

Afghanistan blev en betydande mottagare av internationellt bistånd år 2002 då det internationella samfundet inledde insatser för att stabilisera, demokratisera och återuppbygga landet efter flera år av konflikter. För Finlands del är återuppbyggandet av Afghanistan en viktig del av utrikes-, säkerhets- och utvecklingspolitiken, både på nationell och på Europeiska Unionens (EU) nivå, och även av det internationella solidaritetsarbetet.

Av Finlands officiella utvecklingsbistånd går 1,6% till Afghanistan, vilket gör Finland till den procentuellt sett fjärde största biståndsgivaren efter USA, Norge och Storbritannien. Enligt den afghanska regeringens statistik är Finland den 17 största bilaterala biståndsgivaren och den åttonde största av alla biståndsgivare inom OECD. År 2006 var Finland den näst största bidragsgivaren till Förenta Nationernas Miljöprogram (UNEP) och EU:s polisuppdrag i Afghanistan (EUPOL) samt den tredje största bidragsgivaren till Afghanistans oberoende människorättskommission, AIHRC. Det bör emellertid påpekas att om Finland ökar den totala mängden utvecklingsbistånd kan Afghanistans procentuella andel av biståndet sjunka.

Det finns ett brett stöd på hemmaplanet för Finlands internationella åtaganden och utrikespolitiken har stor relevans i finländarnas ögon. Utrikesministeriet gjorde en opinionsundersökning om utvecklingssamarbetet år 2006 där 86% av de svarande finländarna ansåg att utvecklingssamarbetet är viktigt. Det finns även ett erkänt moraliskt krav i Finland att hjälpa länder vars medborgare har fastnat i en ond cykel av fattigdom och våld. Säkerhetsproblemen och motgångarna i utvecklingsarbetet på senaste tid har dock gjort det nationella klimatet tveksammare när det gäller fortsatta interventioner i Afghanistan.

Afghanistan har nått flera viktiga milstolpar från och med 2001. De kulminerande milstolparna var parlaments- och provinsvalen år 2005, som markerade slutet på övergångsperioden, och överenskommelsen Afghanistan Compact år 2006 som inledde en fas av långsiktig utveckling. Dessa framsteg beror i hög grad på det internationella samfundets insatser och politik, som Finland har varit aktivt med om att utforma. Över de senaste två åren har det emellertid också skett en tillbakagång i utvecklingen i södra och östra Afghanistan. Dessa områden hotas av en tilltagande osäkerhet till följd av ett välorganiserat uppror som misstänks ha stöd av den massiv ökningen av opiumproduktionen. Hållbarheten av det internationella samfundets insatser är fortfarande ett frågetecken.

Det finns en växande oro bland afghaner och internationella observatörer över makthavarnas och styrelseformernas ineffektivitet, som har skapat en växande frustration hos befolkningen och gjort att förtroendet för regeringen har rasat. Det internationella stödet för övergångsregeringarna mellan 2002 och 2005 har tagit allvarlig skada av deras oförmåga att ordna grundläggande service, i synnerhet säkerhet, i hela Afghanistan. Den afghanska befolkningen är mycket upprörd över att se före detta krigsherrar gå ostraffade och fortsätta göra sig rika på vanliga människors bekostnad genom korruption. Om läget fortsätter som hittills är det sannolikt att osäkerheten tilltar, fientligheten mot utländsk närvaro växer och stödet för talibanerna gradvis kommer tillbaka.

Trots de stora mängder bistånd som Afghanistan har fått sedan 2001 är landet fortfarande ett av de fattigaste utvecklingsländerna i världen. Orsakerna till detta är många och invecklade och det är missledande att tolka situationen som ett tecken på att utvecklingsbiståndet eller sättet på vilket det delas ut har misslyckats. Arbetet hindras av flera svåra enskilda restriktioner och det krävs en avsevärt längre tid för att insatsernas effekter ska synas. Dessutom finns det geografiska hinder som måste tas i beaktande. Osäkerheten och den svaga och otillräckliga lagstiftningen i Afghanistan fungerar som en avskräckare för vissa typer av privata investerare och som ett lockbete för andra, som blomstrar tack vare just dessa brister. Utvecklingsbiståndet ensamt kommer inte att hjälpa Afghanistan övervinna fattigdomen utan biståndet måste fungera i samspel med andra strategier.

De försämrade förhållandena gör att man måste ställa frågan huruvida det internationella biståndet i Afghanistan kan göra skillnad och lyckas styra in landet på en väg som klart leder till fred och utveckling. Dessutom måste man ställa frågan huruvida biståndet har getts på rätt sätt och till de rätta programmen.

Enligt tidigare utvärderingar och studier har det internationella biståndet haft viktiga framsteg, t.ex:

- Grundläggande behov som t.ex. näring, hälsovård och utbildning har tillgodosetts bättre, även om indikatorerna för mänsklig utveckling fortfarande visar mycket låga värden.
- Återvändo av flyktingar och internflyktingar: uppskattningsvis 3,5 miljoner flyktingar har återvänt sedan 2002.
- Ekonomisk tillväxt: uppskattningsvis 25 procent medan 2002 och 2004.
- Civila myndigheter: regeringsmyndigheter har inrättats på central och provinsial nivå; dock är behovet för kapacitetsuppbyggnad fortfarande mycket stort.
- Säkerheten har blivit bättre i många delar av landet: bortsett från enstaka incidenter är landets norra och västra delar i huvudsak konfliktfria.
- Minröjning: över en tredjedel av områden som innehåller minor har röjts.

Å andra sidan finns det betydande brister på följande områden:

- Militära operationer: trots att den utstationerade militära styrkan i Afghanistan idag är tre gånger så stor som år 2001 och 2002 fortsätter upproret att tillta.
- Landsbygdsutveckling: det tidiga misslyckandet att stabilisera och kanalisera utvecklingsbiståndet till områden utanför Kabul, i synnerhet till jordbrukssektorn, innebär en bortslösad chans att återställa freden och utveckla alternativ till odlingen av vallmo som näring. Detta har inte bara förvärrat konflikterna i de ostabila regionerna utan också bidragit till att sprida upproret till regioner som hittills har varit fredliga.
- Rättvisa: det otillräckliga stödet till uppbyggnaden av den juridiska sektorn har gjort att krigsherrar fortfarande lever ostraffade och största delen av landet fortfarande präglas av laglöshet. Detta område borde ha varit en hög prioritet för de internationella interventionerna från första början; det är fullständigt otroligt att systemet efter sex år fortfarande trampar i barnskorna.
- Orealistiska mål: Tidsramarna för flera av målsättningarna är orealistiska, t.ex. målet av en långsiktigt fungerande nationell armé och polis år 2010.
- Planering: brådskan att lägga ut pengar har lett till en bristfällig planering och otillräcklig övervakning av vissa program, vilket främjar korruptionen.

Dessa punkter avspeglar de grundläggande bristerna i processen: bortslösade möjligheter, otillräckliga investeringar i stabilisering i ett tidigt skede samt resurser

som är dåligt inriktade. Orsakerna bakom dessa brister i sammanhållningen har utpekats i olika studier. De beror delvis på att arbetsförhållandena i områden som präglas av förflutna konflikter, som t.ex. Afghanistan, är svåra. Istället för att avvisa det internationella samfundet som en olämplig förvaltare av dyrbara resurser måste man medge att dessa svårigheter sannolikt kan upprepas i liknande omständigheter och att ingreppssätten därför måste ses över.

Oberoende av dessa brister och med tanke på det Damoklessvärd som Afghanistan håller över den nationella, regionala och globala freden och stabiliteten är slutsatsen att Finland inte har något annat alternativ än att fortsätta stödja de internationella insatserna och arbeta för att hitta konkreta förbättringar. Det är en nödvändig förutsättning för att kunna skapa en rättsstat i Afghanistan i ordets fulla bemärkelse. Utvärderingen har sammanfattat dessa slutsatser i fyra nyckelpunkter som utvecklas närmare lägre ned.

- Det internationella biståndet har klart medfört vissa förvrängningar men det har också skett framsteg från och med 2001.
- Många av de understödda programmen har en hög effektivitetspotential.
- Med tanke på att Afghanistans framtid svävar mellan utveckling och konflikt är det viktigt att insatsernas kontinuitet upprätthålls.
- Finland gör en värdefull investering i Afghanistan men mer uppmärksamhet måste ägnas åt arbetets eventuella negativa konsekvenser.

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.

1 INTRODUCTION

The present evaluation has been commissioned by the Ministry of Foreign Affairs of Finland through its Unit for Evaluation and Internal Auditing in the Department for Development Policy. Three main factors drive the need for an evaluation at this time: the first is that the Finnish Government is in the process of finalizing its development policy paper for the next four years; the second is that Finland made a pledge at the 2006 London Conference, necessitating the launch of an external independent and holistic evaluation of all aspects of Finnish development aid to Afghanistan. Thirdly, although the evaluation was not intended to take place until 2008, important political considerations brought the date forward: the Finnish Government is preparing a comprehensive policy paper on its approach to Afghanistan, including civilian and military crisis management aspects, and development and humanitarian aid, in order to reassess the rationality, desirability and level of future Finnish assistance to Afghanistan. Public unease for Finland's continued engagement in Afghanistan following the death of a Finnish peacekeeper there in May 2007 were instrumental factors in bringing the Government to discuss the issue.

The evaluation covers the development aid portfolio from 2002 to 2006, current implementation and plans from 2006 to 2010. Central considerations include the relevance of Finnish Aid in the Afghan context in the past and present, compliance with and coherence between the development policies of the two countries concerned and the international development agenda, and analysis of results against these policies. Development plans for the next phase of contributions, assumptions and target-setting involved in the plans will also be evaluated.

In addition to evaluating the use of Finnish intervention according to the standard Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC) criteria, the evaluators were guided by criteria proposed in two other papers: the first is a new OECD/DAC draft guidance document on evaluating conflict prevention and peace-building activities (OECD/DAC Draft Guidance on Evaluating Conflict Prevention and Peace-building Activities, 2007). Given the central issues of conflict and peace in Afghanistan, using these new criteria helps contextualize the evaluation. It also provides an ideal opportunity to test the criteria prior to the document's publication. The second is the Assessment of Conflict Sensitivity chapter in a guide published by the Norwegian Agency for Development Cooperation, NORAD, (Assessment of Sustainability Elements/Key Risk Factors, NORAD, Norwegian Ministry of Foreign Affairs, May 2007) designed to help programme managers throughout the programme cycle to identify and document the effects, impacts and risks of a given programme. The assumptions and targets of the programmes to which Finland has contributed were assessed with these guides in mind.

Since Finland's assistance to Afghanistan is delivered through multi-lateral channels, a true gauge of its impact would be to evaluate all the programmes to which the funds flow. However, this was not possible in the timeframe of the evaluation. The team has therefore drawn widely from prior recent findings, reports, peer reviews and evaluations of those programmes, in addition to interviews of key informants, to obtain its findings.

2 EVALUATION FINDINGS BY CRITERIA

Relevance

Finnish development assistance is relevant to the international solidarity intervention in Afghanistan, to the needs of the beneficiaries and to its own aid policy goals. Finnish Provincial Reconstruction Team (PRT) civilian activities have found particular resonance and relevance in Faryab province. Finnish supported programmes such as National Solidarity Programme (NSP) and Microfinance Investment Support Facility to Afghanistan (MISFA) are highly relevant to the needs of rural communities. Finnish aid is less relevant in the case of some humanitarian programmes, not because the need is not there but because these programmes traditionally attract sufficient funding to meet their annual requirements. In the case of demining, the needs are still unmet and Finnish assistance is highly appropriate. Support to police reform is also highly relevant to the security sector as a whole, the police themselves and eventually the communities they are supposed to protect, but without parallel strengthening of the justice sector, it risks losing relevance and coherence.

Coherence

Finland has achieved coherence in harmonizing its contributions with national priorities. Its overall assistance package also achieves the aim of joined-up programming, channeled as it is through the different aid instruments – political, humanitarian, environmental, development, human rights and peace-keeping. Donor coherence overall in Afghanistan is mixed. Donors and operators on the ground have to contend with difficult operating conditions, changing scenarios and emerging priorities. There is little coherence in supporting the security sector if the justice sector lags in effectiveness. The Finnish PRT has created positive synergies between its military and civilian activities and most of all in creating an aid-enabling environment, but there is little coherence between the activities of one PRT and another.

Coordination

Despite the presence of many coordination groups, *effective* coordination is hard to find in many instances. Finland attends a number of high-level working groups and coordination fora in Afghanistan and Europe, but while these may be good information-sharing opportunities, donors and international agencies alike do not tend to be flexible about changing their policies or strategies to harmonize with those of others. A notable example is between the EU and USA. Where the EU and most of its member states have open and transparent plans, the same cannot be said for the United States Agency for International Development (USAID). Coordination here is limited, compliance with it observed through attendance at the various fora rather than improving division of labour. This may be detrimental to conflict sensitivity, resulting at ground level with contradictory objectives for non-governmental organizations who have worked for many years in a given area. Donor coordination with the Government of Afghanistan (GoA) is improving through the Joint Coordination and Monitoring Board (JCMB) but GoA inter-ministerial coordination is still a noted problem, resulting in turf battles for control of certain sectors (Ministry of Rural Rehabilitation and Development and Ministry of Agriculture, Ministry of Interior and the rest). Mechanisms for coordination between the GoA, multilateral organisations, donors, international non-governmental organizations (INGOs) and national NGOs at a sub-national level are inadequate. Better capacity-building at provincial and district level is needed to improve the ability of local administrations to coordinate donor activities in their areas.

Connectedness

This is defined as the ability of emergency operations to contribute to the achievement of development goals. It suffers from similar problems with regard to capacity building at provincial and district levels. The absence of a serious attempt to connect police reform with the justice sector poses a threat to the stability of Afghanistan as well as to public confidence in the government. Judging from findings in previous evaluations, connectedness of human rights activities between central and sub-national levels appears to be improving. The inability of the counter-narcotics sector to connect their activities with those people who must be weaned off opium-poppy cultivation is a serious concern, but there are new initiatives underway that may improve this situation by focusing more on rural areas. Finally, a perennial problem of connectedness is to be found with the lack of a mechanism to link the return of refugees and IDPs to smooth reintegration and development (Linking Relief Rehabilitation and Development). With regard to the connectedness of the Finnish aid portfolio, this is particularly commendable for its choice of programmes, each of which is complementary to the others.

Sustainability

The financial sustainability of the various interventions supported by Finland is questionable. Even optimistic forecasts on the expected future income of the GoA will not enable it to assume greater responsibility for functions presently covered through the Afghanistan Reconstruction Trust Fund (ARTF). The same is true for the international intervention as a whole in Afghanistan, the high level of which is not sustainable in the longer-term. Capacity-building through Technical Assistants is not sustainable the way it is being implemented at present, though improvements in 'mentoring rather than doing' could easily be put in place at no cost. Despite the commendable capacity building at central level for environmental protection, environmental sustainability is at risk. A previous evaluation noted that de-mining programmes, which might normally be expected to be positive, have had deleterious environmental consequences by opening up new areas to logging and to the unsustainable exploitation of natural resources. This represents an unfortunate unintended consequence of a relevant activity and reinforces the rationale for conflict-sensitive programming. Even more alarming is the unsustainable use of scarce water resources resulting from the lack of planning for proper water resource management (Humanitarian and Reconstruction Assistance to Afghanistan 2001-2005 A Joint Evaluation Summary Report, Chr. Michelsen Institute, Copenhagen Development Consulting and German Association of Development Consultants, October 2005). Sustainability needs to be seen through a historical perspective, however. Since Afghanistan has never been in a position to be economically self-sustaining as a medium income country, the best the international community can do is to assist it to create the conditions where it can maximize its various potentials.

Effectiveness

This is understood here as the achievement of intended outcomes) of Finnish aid, in the context of different sectors of international aid to Afghanistan, and is on balance positive. The evaluation was able to review this in specific initiatives for which Finland made a determining contribution. The provision of humanitarian aid – including to Marie Stopes International (MSI). MSI, reviewed specifically here – has proved effective. The promotion of respect for human rights is progressing. Finnish PRT contributions to the stabilisation of Faryab province have been effective, as shown by the absence of major upheavals to which this province was previously vulnerable. NSP and MISFA programmes have effectively contributed to community rural development and poverty reduction. Police reform has been less effective and will take many years and considerably more expense to achieve desired outcomes. Where intervention has been least effective is in the reduction of opium poppy production.

Impact

The impact of international funding at this point in time has a mixed record. A positive impact for Finland is that it has clearly contributed to the efficiency and timeliness of international efforts. At the broader level of the international efforts, there is conflicting evidence. For example the impact of aid being spent to reduce the narcotics industry has had the opposite effect of that intended but it could also be much worse if there had been no intervention at all. An unforeseen but positive impact has been on the construction industry in Kabul which is suspected to be largely financed from illicit proceeds of the drugs trade. Conversely, external assistance has had a positive impact on rural communities under NSP. These are benefits that trickle down to the health and welfare of individual families, as do the MISFA loans. Impact in governance and rule of law could still go either way: it could be more positive if sufficiently robust reforms can take root in civil service and the judiciary to curtail the further criminalisation of the state. Failure to bring high-profile criminals to justice, however, will signify that crime pays, and will only lead to further lawlessness, human rights abuse and discrimination, helping the rich to get richer on the backs of the poor. The continued presence of the aid community in Afghanistan will be necessary for a considerable period of time if significant gains to date are not to be reversed.

Efficiency

Defining efficiency as achieving maximum outcomes with given resources, most indicators point to an overall disappointing record. Notable exceptions are NSP and MISFA: funds channeled to rural communities, and loans to individuals, are managed with strong financial accountability. In most cases beneficiaries have used contributions to maximum effect with a minimum of divergence. If Finland wished to channel its funding to programmes based on the criterion of efficiency alone, these two would be the most productive. Aid flows to the country have increased inflation on housing and basic goods, which have had a deleterious impact on the population who cannot easily absorb such increases, but this is the unfortunate result of most aid interventions in fragile states and no one has yet conceived a solution. Insecurity has raised the costs of programme delivery. Programme overheads, inflated prices for support costs and high manpower expenses related to capacity buying have also been negative effects of incoming aid. The civilian aid provided by the PRTs has been particularly expensive in relation to their outcomes. Conversely, Finland's policy of channeling much of its limited funding through multi-donor trust funds frees up money for operations and minimises administrative costs, making the aid delivery highly cost-effective.

3 EVALUATION PURPOSE AND OBJECTIVES

3.1 Purpose

The aim of the evaluation is to critically review the assistance provided to the state and society of Afghanistan, looking on the one hand at the needs and constraints of cooperation and assistance in this country, set against the current development policy context of Finland.

3.2 Objectives

The evaluation is expected to provide an independent expert judgment on the implementation and results of past Finnish involvement, including delivery mechanisms, partners, sectors of intervention, and volume, as well as on the degree to which the set plans have been adhered to, and to what extent the results anticipated have been achieved. This is to inform the future plans of Finland in Afghanistan.

The results of the evaluation are to contribute to the process of defining development policy, as well as decision-making concerning modalities and targets of aid delivery to Afghanistan. The results should also be transferable to other cases, to improve the delivery mechanisms of other programmes in similar situations, in other words fragile states and conflict programming.

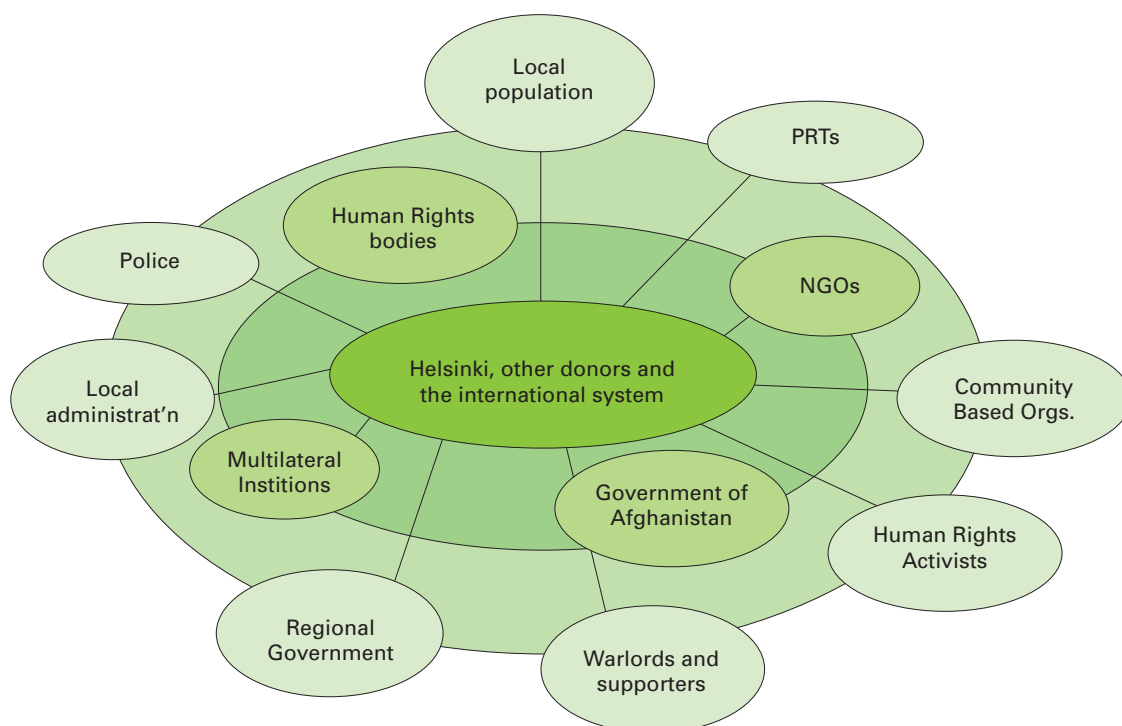
3.3 Evaluation Methods

The evaluation process has been composed of the following elements: review of literature and online resources (see references), semi-structured interviews in person and over the phone (see the list of interviewees as Annex 2) and Focus Group discussions in Helsinki, Brussels, Kabul and Faryab province. It would have been preferable for the group to visit other provinces, notably those where Finnish NGOs are operating. However, due to time constraints this was not possible.

The evaluation follows the results chain from inputs through processes to outcomes along different levels of the aid chain – from the international system to the local level. Our analysis groups contributions by the types of benefits which can be derived from Finnish aid, namely that a) the aid is responsive to the needs of the beneficiaries (the primary purpose of any development aid endeavour, the population level of analysis), b) that it strengthens without inefficiency local and international capacities (the institutional level of analysis), and c) that it be consonant with Finnish international policy through a sensitive enactment of assumptions and mandates (the ‘Helsinki’ level of analysis).

Previous experience shows that such a tiered approach to the subject allows for a fair assessment of the performance of an international operation, especially where there are multiple objectives and unpredictable situations. This recognises the possibility of having a good performance at one of the levels but not at the others. For example, an operation (and hence by extrapolation the system behind it) can be responsive to local needs, but harmful to principles of impartiality, and yet complementary to Finnish development aims.

The local, Afghan level of analysis constitutes the outer ring of the field. It is by interpreting these development needs, through appeals of partners and established funding modalities, that programmes are implemented. The complexity of the outer level cannot be ignored. It is made up of a range of different groups who are to some degree affected by Finnish intervention. This places consequently the level of analysis covering Finnish aid at the centre, and its partnership system in the middle, presented thus:



3.4 Evaluation Schedule

Desk study and interviews in Helsinki and other capitals 1-14 October 2007: during which all outstanding aspects of the ToR were clarified, including the selection of a sample of programmes for more in depth review, timing issues etc. Relevant background documentation was identified both from the Ministry of Foreign Affairs and from the other expert sources including policy documents, previous evaluations on Afghanistan, research reports etc. This phase included the review of documents. On 3 October an Evaluation Team Meeting was held in Helsinki comprising the team leader and Helsinki based members of the team. Briefings took place on 4-5 October at the Ministry. Officials were invited to provide questions that they hoped the evaluation would answer (see Annex B). Interviews were held in Brussels from 8-14 October with European Commission, Directorate-general for the External Relations of European Commission (DG Relex), EuropeAid Cooperation Office (DG AIDCO) and European Community Humanitarian Office (ECHO). In addition various telephone interviews of civil servants in Norwegian, Swedish and British Foreign Ministries were conducted.

Field work Afghanistan 14-27 October (after feast of Eid): during which the key data collection and analysis took place for the three evaluative levels of analysis. This started with a visit to Finnish officials and personnel in Kabul, during which key staff was interviewed and documents collected, structured and reviewed. Following the Kabul visits, the consultants visited locations for area assessments to collect some examples of outcomes and capture the perspective of personnel and beneficiaries or host populations on the ground. The team structured the information into assessments made by others and key source interviews. The days were divided into a collection phase and a writing-up phase, as the short turnaround time for the evaluation did not permit a leisurely drafting time. Upon request from the Unit for Evaluation and Internal Auditing, the team provided a summary of preliminary findings of the evaluation mission as at 22 October 2007 to the MFA in order for the Ministry to have the preliminary report at their disposal.

An Analysis and Presentation phase 28 October-12 November 2007: Immediately following the field mission and visits, the findings were synthesised into a summary presentation and presented in a briefing at the Finnish Embassy in Kabul on 27 October. A presentation of the findings was presented to the Evaluation Unit in a first debriefing in Helsinki on 29 October. Comments were invited to correct any errors or highlight alternative interpretations. This was followed by a phase of writing up in different locations (30 October – 4 November). The draft report was delivered by internet to the MFA, Unit for Evaluation and Internal Auditing on 5 November 2007. Comments were sent back to the team on 7 November 2007. The present report was submitted to the MFA on 12 November 2007.

3.5 Evaluation Limitations

Due to the short timeframe, the team has not been able to compare Finland's ODA to Afghanistan with that of the other eight countries where Finland has cooperation partnerships. Time constraints have also meant that NGO projects funded by Finland could not be evaluated: their remote locations and the logistics of getting there and back would not have been efficient use of time.

4 THE AFGHAN CONTEXT FOR AID PROVISION

Since 2001, Afghanistan has been recovering from a long period of conflict and social instability. Afghanistan remains a key challenge for the international community. It is a mixed picture, with both progress and setbacks. On the one hand, successes have been marked by statements of support and funding pledges at international conferences, national processes from the Loya Jirga through Presidential elections to the establishment of a Parliament and Provincial Councils, and the re-birth of national institutions. On the other hand, old warlords remain influential and political structures at the central and local levels have limited capacity. In addition, corruption permeates much of the government apparatus, and a culture of impunity has spread. The economic situation in Afghanistan is still a major challenge. Although the Afghan per capita income has doubled in the past six years the country is among the five poorest in the world, the infant-mortality rate is the highest in the world, governance and the infrastructure are extremely weak. The drug economy is rapidly growing and has strong political links. This relates not only to the local political scene, but also to the global drug scene. Outbreaks of unrest and violence occur in large swathes of the country.

Afghanistan is a major recipient of donor aid. Today, the most significant donors are USA, the European Community, Japan, UK, Canada, the Netherlands, the Nordic countries and India. The large international entities, the World Bank and the United Nations organizations have a central role in the co-ordination and delivery of aid. In accordance with the 2001 development policy paper of Finland, Afghanistan has been supported from development aid budget since 2002. The Finnish development aid has largely been channeled through a number of joint-financing arrangements with international financial institutions and the special development programmes and organizations of the United Nations.

At the 2006 London pledging conference an important milestone was reached, moving Afghanistan from its transitional phase to one of more sustained reconstruction and development. The conference adopted the Afghanistan Compact and an interim Afghanistan National Development Strategy, which constitute the

basis for external aid to this country. The Compact put forward a shared vision of Afghanistan's future, within the framework of the Millennium Development Goals (MDGs), focusing on improving its security, governance, rule of law and human rights, and social and economic development. Added to this is the goal of eliminating the narcotics industry as a cross-cutting issue. For the purpose of aid co-ordination, a Joint Coordination and Monitoring Board (JCMB) was established, in which Finland participates through a joint Nordic representation. JCMB endeavors to co-ordinate the cooperation between the bilateral donors, the big international development organizations and the Afghan government. The United Nations Assistance Mission in Afghanistan (UNAMA) is working together with the Afghan government in the co-ordination function among all the development aid organizations. Further to the significant international donors, a large number of international non-governmental organizations (NGOs) are also active in Afghanistan.

4.1 Aid Effectiveness in Fragile States

Afghanistan, as an example of a fragile state, has strategic implications far beyond its immediate neighbourhood, in which the lack of human security impedes societal development. Building a viable society out of post-conflict situations is a long-recognised challenge requiring a multi-pronged approach. Some of the international learning on this topic throws light on best practices as regards Finnish involvement in Afghanistan.

The international community is increasingly conceiving such situations of endemic crisis as a specific challenge to development and global security. The UN, bilateral donors and regional organisations increasingly design integrated approaches for engaging in difficult situations. The Paris Declaration on Aid Effectiveness recalls that principles of harmonisation, alignment and management-for-results must be adapted to environments of weak governance and capacity. The OECD/DAC endorsed a "Policy Commitment and a set of Principles for Good International Engagement in Fragile States and Situations", emphasising "Whole-of Government approaches", which require close cooperation between economic, development, diplomatic and security actors.

The European Consensus on Development provides guidance on a comprehensive response to fragility. The European Commission, in close coordination with the Portuguese Presidency of the EU, has launched a process of reviewing its capacity and experience in dealing with situations of crisis in developing countries, with a view to engaging more effectively with partner countries in a range of environments that are not conducive to long-term development. The Commission communication "Towards an EU response to situations of fragility – engaging in difficult environments for sustainable development, stability and peace" was adopted on 25 October 2007.

This evaluation has decided consciously to characterise Afghanistan as a fragile state, being fully aware of the EU decision to avoid the fragile state concept but to refer instead to situations of fragility. However, the term fragile state has established itself in the work of OECD, World Bank and academic research. A consensus on an appropriate definition of this term has not yet been achieved. There is also a need to acknowledge that fragility is primarily a matter of degree, not of kind. However, there is an emerging consensus that situations of fragility exist where there is a threat to the human, social, physical and institutional capital that constitute the foundations for sustainable development. Among features of fragility the most quoted are low levels of government performance, weak state institutions or where the state fails to perform its core roles as delivery of basic services with a lack of capacity of public services.

It is widely acknowledged that international cooperation can have unintended consequences if there is a lack of absorption capacity and corruption. One way of potentially alleviating these constraints is to use indirect bilateral aid via non-government channels, such as NGOs, the private sector or independent service authorities. There is a need to learn more about which aid modalities work well in fragile states and about the optimum sequencing of interventions.

Risk adverse donors frequently shy away from investing in fragile states-the risk of non-intervention is rarely considered. Several recent research papers have tried to quantify the cost of neglect. According to NORAD, engaging with fragile states is crucial for MDG achievement. Poul Engberg-Pedersen, Director-General of NORAD, has stated that engagement with fragile states goes against the performance-based aid allocation that has been the dominant aid rationale since the late 1990s. Fragile states require more than humanitarian assistance. They require risk-taking partners with a strong local presence and a sustained commitment, adapted to the phases of crisis management (Opening address of Poul Engberg-Pedersen, Director General, NORAD Engaging with Fragile States: Challenges and Opportunities Conference organized by the World Bank's Independent Evaluation Group (IEG), UNECA, and NORAD, Addis Ababa, Ethiopia, 24-25 July 2007).

It should also be recognised that growth is not the only benefit of aid. Prevention of instability and conflict, improvements in human rights, avoiding deterioration of human development indicators and preventing spill-over on neighbouring countries are other benefits. We need to learn more about the impact of aid on these factors. In Finnish Development Policy these are key objectives of development aid.

The Report of the External Debate of the EU response to situations of fragility in developing countries – engaging in difficult environments for long-term development – underlined that the support for fragile states requires a long term commitment with a mix of instruments where short term and medium-term programmes support specific reforms and long-term projects work towards structural

changes. Linking peace, security and development, within a country and across borders, is often a primary concern in fragile situations. Development cooperation makes an essential contribution to promote peace and stability by addressing expressions of violence and root causes of insecurity and violent conflict.

While many bilateral donors' allocation decisions are often heavily influenced by criteria other than poverty reduction, there has in practice been a move towards greater selectivity, with donors concentrating aid on fewer good performers. Contradicting this move has been an increasing concern for allocations to fragile states. According to the OECD/DAC research on aid allocation to fragile states, Fragile states as a group have not only been under-aided, but aid flows have also been twice as volatile as those to other low income countries, even when changes such as the onset or cessation of conflict and large performance changes are taken into account. Within the fragile state group, flows received by the under-aided countries are the most volatile. This is particularly damaging to growth and prospects for poverty reduction. There may be valid reasons for aid flows to be volatile in fragile states, but the current picture suggests the reasons are not obvious. Non-transparent and inconsistent allocation criteria exacerbate the problem for fragile states by making aid flows unpredictable.

4.2 Intervention Background

4.2.1 Factors Informing and Influencing Decisions

According to the Finland's government resolution on development policy, approved on 5 February 2004, the main goal of Finland's development policy is to contribute to the eradication of extreme poverty from the world. Activities that help to achieve this goal include prevention of environmental threats; promotion of equality, human rights, democracy and good governance as well as increasing worldwide security and economic interaction. Following the OECD/DAC guidelines on conflict, peace and development cooperation, Finland, too, has incorporated in her official development policy the goal of promoting stable and peaceful societies in the partner countries. Development policy is also a part of Finland's security policy. From the point of view of security policy, the task set for development policy is to bring about sustainable development that can deal with the causes of conflict and violence and eradicate them. [...] Prevention, management and resolution of conflicts and post-conflict recovery work will be increasingly emphasised during the term of this Government (Development Policy, 2004, p.14).

The Government of Finland issued the latest Government decision-in-principle on Finnish development aid in the end of October 2007. According to it the most important objective of the development policy is to contribute to the eradication of extreme poverty from the world and promotion of sustainable development according to the Millennium Development Goals. The decision includes also aspects of aid to

countries recovering from conflict and unrest. It states that societal stability is a precondition for stability and therefore particular attention should be given to societies suffering from violent conflict or recovering from one. It further states that the role of the development policy is to act to strengthen security in a comprehensive manner. It places high importance to the coherence of different aid instruments and their sequencing. Afghanistan is one of the five focus areas under the countries recovering from violent conflicts.

Interviews with officials in the Ministry for Foreign Affairs of Finland and review of internal documents of the Ministry reveal the Government of Finland's values and assumptions in its rationale for designing the current development assistance package to Afghanistan:

- Commitment to act as a responsible player in international relations, participating in peace-building, peace-keeping and development initiatives on the international agenda.
- Finland's solidarity with the international and internal perception of Afghanistan as a priority recipient of foreign aid, with the commonly agreed objective of preventing it from slipping back into war, international isolation and reverting to its former threat to international peace and security.
- The Finnish view that high quality development aid fights poverty and thus reduces human vulnerability. Reducing human vulnerability can reduce the risk of unstable societies and prevent or mitigate crises and conflict. In Afghanistan, reducing poverty, vulnerability and conflict are crucial for creating a stable and peaceful society, and this is what drives Finland's development policy.
- Compliance with international norms that Finland took part in drafting, such as the Paris Declaration on Aid Effectiveness.
- Recognition that assisting fragile states implies making multi-year funding commitments to promote funding predictability and planned budgeting.
- To maximize the efficiency and impact of its relatively small contributions by funding a small number of large programmes through multilateral channels.
- To promote 'joined up programming' that supports a 'whole of government' (WGA) approach by selecting to fund key programmes in Afghanistan. The WGA approach involves forging strong security, governance and socio-economic development systems that together provide the backbone to sustainable peace and development.

- The wish to have ‘a voice at the table’ in international discussions where important strategies are formulated and decisions made. Hence the decision to continue supporting Afghanistan, even by funding such programmes as counter-narcotics that are so far having little impact towards the overall goal of reducing the drugs trade.

4.2.2 Finland’s Approaches to its Assistance Programme in Afghanistan

Finland accords high priority to playing a responsible and participatory role in international relations. This is manifested by its commitment to assist a small but significant range of countries in their development and in helping to improve the welfare of their people by working towards the achievement of Millennium Development Goals.

Finland has crafted a Development Policy that emphasizes assisting countries to develop their economies, trade, human rights, governance and justice systems. The intervention strategies that Finland pursues demonstrate a close adherence to international norms and directives. These include the 2005 Paris Declaration on Aid Effectiveness, Good Humanitarian Donorship, the draft OECD Piloting the Principles for Good International Engagement in Fragile States, Millennium Development Goals and the OECD/DAC ‘Whole of Government’ approach (WGA), *inter alia*.

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

In percentage terms for total ODA Finland ranks fourth as a donor to Afghanistan, after the USA, Norway and the UK, with 1.6% of its ODA destined for Afghanistan. In absolute terms, Finland is 17th highest of bilateral donors to Afghanistan according to Afghan Government statistics, and 8th of all OECD donors. In 2006 it was the second largest donor to the United Nations Environment Programme (UNEP) and the European Police Mission (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 (OECD/DAC Peer

Review of Finland, October 2007). 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.

The Ministry of Foreign Affairs public and internal documents and presentations show that Finland's foreign policy towards Afghanistan has been consistent since its initial programmes in 2001: that as a responsible member of the international community, it has participated, and continues to do so albeit with a slight shift in emphasis, in the reconstruction and stabilization of Afghanistan (Presentation of MFA to the Evaluation Team, 4 October 2007). Its level of contributions has also remained fairly constant, averaging around € 10 million annually. Finnish contribution 2001-2007 in euros:

- 2001 8,108,000
- 2002 12,863,000
- 2003 9,972,000
- 2004 9,720,000
- 2005 9,139,000
- 2006 10,590,000
- 2007 11,520,000

During 2001-2006, Finland has supported:

- Elections through a trust fund administered by the United Nations Development Program (UNDP).
- Household listing and census by the United Nations Population Fund (UNFPA), which also supported the elections.
- United Nations Office for Drugs and Crime, UNODC (more than 3.1 million € in 2002-2006, 400 000 €/2007).
- Governance through the ARTE.
- Law and Order Trust Fund Afghanistan (LOTFA).
- AIHRC.
- Reproductive health through Marie Stopes International (MSI).
- UNEP.
- Through "funds for local cooperation" democracy and strengthening the status of women.

At the 2006 London Conference Finland pledged a total of 50 million euros in aid for 2006-2010. The present aid programme in Afghanistan is based on Finnish Afghanistan strategy dated 23 November 2006. Finnish cooperation is adjusted to the Afghanistan Compact guidelines and the EU and Afghanistan Joint Declaration. The main objective of Finnish Development Aid in Afghanistan is stated as the prevention of Afghanistan from sliding back to war by supporting persistently the reconstruction of Afghanistan enhancing impact, value added and visibility of Finnish contribution.

The Finnish development aid concentrates on two sectors mentioned in the Afghanistan Compact:

- 1 Governance, Rule of Law and Human Rights, especially concentrating on the development of the security sector.
- 2 Agriculture and Rural Development, especially support to alternative livelihoods.

The central theme of Finland's 2007-2010 strategy is to concentrate on fewer programmes and to channel its contribution through centralised funds administered by the World Bank and United Nations (UN) agencies. This is done in order to maximise effectiveness and donor coordination. Finland is not planning on opening up bilateral cooperation with Afghanistan as it sees this as a contradiction to the Paris Declaration on Aid Effectiveness and the harmonisation and effectiveness of the aid. Therefore approximately half of Finland's € 50 million contribution under the Afghanistan Compact will be channelled through the Afghanistan Reconstruction Trust Fund (ARTF). Around half of that is untied, the other half being preferred for the NSP and the MISFA. Furthermore, the UNDP administered Law and Order Trust Fund (LOTFA) is receiving an annual € 1 million in 2007-2009. On counter-narcotics Finland pledges funding to UNODC's programme Strengthening Provincial Capacity for Drug Control. Funding to AIHRC will be continued with slightly decreasing figures.

To these have been added PRT civilian component funding, NGO support, Local Cooperation Funds, humanitarian aid and humanitarian mine clearance, the latter two focusing on helping the most vulnerable groups in Afghan society: returnees, IDPs, victims of mine accidents, the mentally disabled and women's reproductive health. The annual disbursements for these activities rise above the annual € 10 million mark. Planned Finnish aid to Afghanistan is estimated at € 10.2 million for 2008 and € 10,9 million for 2009.

5 EVALUATION FINDINGS

This Section examines the relevance, effectiveness, efficiency, coherence, impact, sustainability of Finland's contributions to Afghanistan, seen through lens of the three different levels of analysis. This includes assessment of the implementation and results of past Finnish involvement, including delivery mechanisms, partners, sectors of intervention and volume, as well as on the degree to which the set plans have been adhered to, and to what extent the results anticipated have been achieved. This is to inform the future plans of Finland in Afghanistan.

5.1 Inner Circle: Helsinki Level of Analysis

Finland accords high priority to playing a responsible and participatory role in international relations. This is manifested by its commitment to assist a number of countries in their development and in improving the welfare of their people by working towards the achievement of Millennium Development Goals.

In Afghanistan, Finland is playing its part in an international effort to stabilize and develop a country that poses a threat to international peace and security. This is being done with the consent, cooperation and in partnership with the GoA, but not with the consent or compliance of certain elements of the population who seek to destabilize not only the GoA but the international system. While the goal of the international community is to lay the foundations of peace through development and to neutralize the country's potential for further regional and global destabilization, the result so far is at best one of 'containment'. Massive amounts of foreign aid have been poured into Afghanistan since 2002 (by World Bank calculations ODA cumulative total 2002-2005 stood at US\$ 7.7 billion. It is nearer US\$ 12 bn today), yet the struggle to defeat the Taliban, whose aim is to topple the current regime and regain power, is far from over. Indeed, it is becoming more intense as parts of the country that were previously under the control of the GoA are reverting to Taliban control. At the same time, the struggle has at least kept the Taliban tied down to the local arena and has limited it from re-developing its potential, with its allies in Al Qaeda, to use Afghanistan as a launching pad for terrorist activities abroad.

What has emerged since 2001 is a bold international experiment to reverse the slide of a failed state. It is not the first time this has been tried – since the early 1990s comprehensive international interventions to reverse state failure have also been made in Cambodia, Guatemala, Timor-Leste, the West Bank/Gaza and the new states emerging from the former Yugoslavia, with varying degrees of success. Currently Afghanistan can be considered the most important target of international intervention because of its proven threat to global peace and security through the proliferation of terrorism. It cannot be allowed to fail because if the forces of destabilization (meaning the Taliban/al-Qaeda partnership) are allowed to make a

comeback, they could lead to more cataclysmic events on the scale of 9/11. The implications of failure are too destabilizing and too expensive to allow. There is an implicit, if unspoken, calculation that if sufficient contributions of cash and expertise can be brought to bear in Afghanistan, they will gradually bring about a change of everything from mindsets to economic activity so that swords can eventually be turned into plowshares. This is a huge gamble. Failure would signify that the world has run out of options on what to do about Afghanistan – everything from invasion to disregard and back to full attention would have been tried – and failed. There are no more tools in the international workshop to try – at least, none that would be politically acceptable to western domestic constituents.

Finnish aid to Afghanistan must be seen in the context of this international experiment. The Finnish Government's stated aim is to contribute consistently and effectively to Afghan reconstruction with a view to preventing Afghanistan from slipping back to war. The evaluation team considers that, by joining the international effort in contributing to Afghanistan's stabilization and development, it is playing a committed and responsible role. Finland's intervention rationale in Afghanistan is also in keeping with its policy of promoting global peace and security through its contributions to security sector reform, governance, including respect for human rights, and counter-narcotics efforts. This is a highly relevant policy in terms of adherence to the norms of international relations as laid down in the UN Charter, as well as reflecting the priorities expressed in the EU-Afghanistan Joint Political Declaration adopted in Strasbourg on 16 November 2005.

As far as international practices exist for such situations, Finland's overall intervention strategy is consistent with them, as well as with its own development cooperation strategy (Ministry for Foreign Affairs of Finland: Development Policy, Government Resolution of 5.2.2004). These have been shaped by standards such as the Paris Declaration on Aid Effectiveness that requires donors to harmonize their support to a country's national priorities; the OECD/DAC Pilot Principles for Good International Engagement in Fragile States, the long-term vision of which is to help national reformers build legitimate, effective and resilient institutions; and the Millennium Development Goals that aim to halve global poverty by 2015. Finland's choice of programmes to fund as well as its choice of channels through which to fund them, reflect adherence to these principles and are a model of responsible donorship.

Afghanistan is the 5th largest recipient of Finnish ODA, though not one of the long-term partner countries. These are Ethiopia, Kenya, Mozambique, Nepal, Nicaragua, Tanzania, Vietnam and Zambia. Finland has also transitional and other types of cooperation with other countries, such as Peru and Namibia. In percentage terms of ODA, Finland is the fourth biggest donor to Afghanistan. The evaluation reviews why so much funding and attention should be given to Afghanistan when desired outcomes may not materialize. Could these funds not be more effectively used in another country or countries?

The evaluation considers that, based on the rationale given above and because of its strategic importance to global peace and security, such attention and level of funding is appropriate. It is crucial that Afghanistan continue to be a major recipient of international aid for the foreseeable future. Other countries do not represent the same strategic threats as Afghanistan. Supporting them, while an important tenet of Finland's external policy, does not carry the same weight of vital necessity. Consistent with the theory that 'there is no development without security and no security without development', and with the adjoining dictum that nation-building is a long-term project, Afghanistan needs to continue receiving international security and development support for years to come. This reality is recognized by the majority of international donors.

5.2 Middle Circle: Analysis of Partners, Implementers and Mechanisms

Afghanistan has achieved some major milestones since 2001 culminating in the parliamentary and provincial elections in 2005 marking the end of the transition phase and 2006 the Afghanistan Compact that takes it into the phase of long-term development. The Compact is a political agreement between the government and the international community to work together towards achieving three strategic objectives: (1) Security, (2) Governance, Rule of Law and Human Rights and (3) Economic and Social Development, as laid out in an Interim Afghanistan National Development Strategy (I-ANDS). After further development and full consultation, a full Afghanistan National Development Strategy (ANDS) will be published by mid-2008 (<http://ands.gov.af/>) I-ANDS and ANDS represent the new framework for development cooperation between the Afghan Government and the international community. These are the new challenges that will measure progress on Afghanistan's progressive bid to lift itself out of poverty and achieve its development objectives, to be measured in five-year benchmarks.

In keeping with the needs of all fragile states, a sustained and substantial international effort is needed to prevent them from slipping back into destabilization, violence, conflict and a threat to global peace and security. This is not a short-term project. There is also a moral imperative for providing an opportunity to nations whose citizens are mired in an unending cycle of poverty and violence, to climb out of this cycle.

Although insecurity and insurgency are on the increase in some areas, there are many positive indicators of progress including better overall access to health care and schooling, six-fold annual growth in gross domestic product (GDP) since 2002, grass-roots poverty alleviation and development successes. At the local level there is evidence that community-based initiatives are having a positive impact on people's lives. If ordinary people have a stake in stability, the insurgency will find it more difficult to take root. Gradual improvement in many sectors of life mean that

international support is having a positive impact, but this effort and money would be wasted if support were to diminish prematurely. Now is not the time for any of the international actors to take their collective eye off the ball.

In Afghanistan Finland adopts the OECD/DAC 'whole-of-government' (WGA) approach through the support of joined-up programmes that address counter-terrorism, governance, conflict prevention, peace-building and development cooperation. This is a 'by the book' intervention strategy that is also coherent with Finland's development policy (as stated by Government resolution of 5.2.2004). Finland's rights-based approach is also commendable, placing emphasis on supporting Afghanistan's human rights and gender initiatives. To continue with this WGA policy through support to the current mix of programmes would signal Finland's commitment to the overall objective of long-term development and stability. By pursuing the WGA policy, the risk of these objectives either being compromised, or simply not being met, is reduced.

It has been posited that the Finnish aid portfolio is distributed between too many activities and agencies. The evaluation does not find this to be the case. The current mix of programmes selected for Finnish funding reflect a development policy that is highly relevant in the context of Afghanistan. Taken in isolation these contributions may not have a high impact, but channeled as multi-year pledges through multilateral programmes ensure their maximization and added value. Various reports show that Finland honours its commitments on time (2006 Survey on Monitoring the Paris Declaration, Country Chapters, OECD). This is perhaps the most significant contribution Finland can make: given the small amounts of funding to each programme, these may not make a major impact (in the case of the Multi-Donor Trust Funds – MDTFs) per se. Where Finland's contribution makes a quantitative and qualitative difference is that these funds arrive in a timely manner – even before those from bigger donors. Sometimes Finnish contributions are the only ones that can be used until the other contributions arrive, for example in the case of the AIHRC, who attested to being able to carry out its activities for much of 2006 thanks to the early payment of the Finnish contribution.

Furthermore, intervention in the selected areas mirrors the pillars of priority action proposed in the Interim Afghanistan National Development Strategy, adopted at the 2006 London Conference 'Afghanistan Compact', in addition to harmonization with the OECD-advocated Whole of Government approach. The priority themes of the Finnish development policy, namely poverty focus, gender and social equality, human rights, good governance and rule of law, are selected for their 'joined-up' approach to development at all levels of society. The gradual GoA policy move towards focusing on provincial and district level capability development and improving the living conditions of the most vulnerable groups is consistent with Finnish development policy.

Finland is a respected donor among its peers. It ranks fifth on the Commitment to Development Index for 2007 (http://cgdev.org/section/initiatives/_active/cdi). Various reports show that it pays its commitments on time (2006 Survey on Monitoring the Paris Declaration, Country Chapters, OECD; UNDP/LOTFA 2007 Quarterly Project Report, 1st Quarter). It 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 (OECD/DAC Peer Review of Finland, October 2007). However, the domestic mood is becoming more uncertain about continued intervention in Afghanistan due to security and development setbacks of late. This is a view shared by many domestic constituents of the countries involved in Afghanistan. A broader communications effort may be needed to convince the public that assistance to fragile states is a long-term endeavour, of which Afghanistan is probably the most important case.

There is a growing recognition, reflected in recent reports and in interviews, that development aid is too Kabul-centric. The commonly held view is that the key to successful development and reconstruction will be through sub-national (provincial and district) level activities. Finnish choices to fund NSP Community Development Councils (CDC), MISFA and UNODC are contributing to the shift in emphasis from Kabul to district and community levels.

This section examines the programmes that Finland has funded between 2002 and 2006. Based on the performance of these programmes to date, the evaluation continues with an appraisal of the desirability of continuing along a similar path until 2010, adjusted according to emerging realities and priorities.

5.2.1 *The Government of Afghanistan*

Critics claim that the billions of dollars spent on Afghanistan by the international community have not had the expected impact. It is therefore necessary to examine some of the constraints that the Government of Afghanistan has had to contend with, and faces currently, viewed through the prism of the economy, as well as some of the economic successes it has achieved.

The current Afghan government inherited a weak administration. The lack of new investment in human capital over the last twenty years left the administration with a large group of public service employees whose skills and abilities were – and remain – frequently not up to current requirements. The recruitment of new qualified staff is hindered by low salaries. In spite of these problems, slow but steady progress has been made over the last few years. Throughout the public sector, reform of the ministries under the Priority Reform and Restructuring Programme framework moved ahead. Furthermore, the size of the civil service has increased only moderately at lower levels of the administration.

Economic development is important not only in preventing conflicts but also in post-conflict settings. Collier and Hoeffler (2004) have found that the higher the level of per capita income, the lower the risk of conflict. Hence, economic development is paramount for the prevention of future conflict and for post-conflict societies to avoid relapse into violence. As part of its economic liberalization plan Afghanistan has eliminated the capital controls that existed previously. This accommodation has spurred investment. “Even though a lot of money is leaving Afghanistan,” he noted, “a lot of money is coming into Afghanistan.” The Government’s move to decentralize the banking system provided a further foundation for economic growth. Moreover, private investors have invested approximately US\$ 800 million in the telecom sector in recent years. Afghanistan’s GDP has doubled in the past five years and now stands at a 13% growth rate, while inflation has remained relatively low. Afghanistan has now laid the foundation for a market-based economy. A new economic system, based on the state as a regulator, not a producer, of goods, with a clear separation between the public and private sectors, stands in place of the centralized economy of the past. An independent central bank, a liberalized foreign exchange system, and laws permitting foreigners to wholly own property characterize the new economic landscape. Yet substantial challenges linger. Many of the problems Afghanistan’s economy faces are typical of those faced by countries rebuilding after war: high prices from an immature system that lacks adequate private sector competition; resistance to change from a state-controlled system; the dearth of human capital; corruption; insecurity; and inequalities created by the market system itself.

The Government of Afghanistan receives the greatest percentage of Finland’s contributions as direct support to the government or as earmarked budget support in the form of National Priority Programmes. This is consistent with Paris Declaration pledges to harmonize donor contributions with government priorities and preferences. Support outside the budget is the least favourable option for the government. Finland has been able to maximize its assistance impact by channeling over 50% of its funds through multi-donor trust funds. This is an efficient approach that benefits both the donor and the aid recipient. The alternative would be to fund bilateral projects, but this approach would be less cost-effective: administrative costs would be higher and it would require more personnel, which would translate into less money available for operations and beneficiaries.

The budget of Afghanistan consists of Core and External budgets. The core budget consists of income from domestic revenues, direct budget support as well as funds channelled through MDTFs and bilateral support to different National Priority Programmes. The external budget consists of development funding channelled outside the core budget directly to agencies and organisations conducting projects. The Ministry of Finance handles most of the funding on behalf of GoA. Basically all the money in the core budget goes through the Ministry of Finance (MoF) to respective line ministries. The MoF is challenged with many difficulties in tracking the external budget as well as dealing with discrepancies between information from

the donors and the MoF accounts. Significantly, it is faced with under-reporting of funding from donors. MoF is aware that much of the bi-lateral funding goes unreported, but Finland has not been remiss in this respect. Deficiencies in on-time reporting and unpredictability of donor disbursements make the MoF's budget planning and accurate reporting difficult. Finland's approach of providing 'core' and unearmarked funding to multi-lateral programmes helps predictability and planning and is much appreciated by government counterparts (MoF) and the UN agencies.

The GoA has had problems with absorption capacity and has not been able to spend all the funding provided. However, the team found that this is not always a capacity problem but one of late contributions arriving at the Treasury, resulting in plans that could not be implemented on time and were therefore postponed or shelved. When the money did arrive, it was too late in the fiscal year to spend it responsibly. This resulted in year-end unspent funds in Government coffers. Finnish aid to Afghanistan is not currently facing any absorption capacity difficulties of the GoA. These are mainly in the line ministries and relate to their capacity in handling the development part of the GoA Core budget. The Finnish portfolio does not face this problem since the GoA's mechanisms to handle ARTF Recurrent funding and LOTFA expenditures are functioning well. Earlier NSP bottlenecks have been solved, according to the World Bank. With MISFA the problem has not been absorption capacity, but rather the limited funding from donors. In the case of AIHRC, the problem was not the disbursement of the funding but the late arrival of the contributions. Limited absorption capacity does not affect the crisis management side of the portfolio (PRT or EUSR secondment), nor the humanitarian aid side (UN agencies).

The line ministries rely heavily on Technical Assistants (TA), though no statistics are available to show this. As TAs are paid more than regular civil servants the overall salary burden on donors is increased. Many of the TAs are Afghans who have returned from abroad with the necessary skills to contribute to rebuilding the Government and would not work for a regular government salary. Funding them may not seem cost-effective on the one hand, but on the other, it represents a reasonable cost for bringing much-needed expertise to the ministries, and is likely to be more sustainable if it is provided by nationals rather than expatriates.

In many ministries the TAs are actually conducting the work that should be carried out by the local civil servants. Training, mentoring and capacity-building of civil servants is long, arduous and an imperfect process, but the TAs should be investing in this rather than doing the work themselves. In the longer-term, it jeopardises the ability of the government to take over the requisite duties. This applies mainly to the central government – there are far fewer TAs at provincial and district levels.

Finland has received high credits for its TA, as evidenced by the evaluation team in Maimana. It has provided, for example, police 'training-by-doing', notably in the field of investigative reporting and forensics. A recent Paris Declaration monitoring

report (2006 Survey on Monitoring the Paris Declaration, Country Chapters, Afghanistan, OECD) shows that 100% of Finnish technical assistance is coordinated with country programmes (only five out of twenty-five countries monitored post 100% ratings).

5.2.2 Multi-Donor Trust Funds (MDTFs)

Finland has chosen to channel approximately 50% of its assistance portfolio to MDTFs with a view to maximizing the value of its contributions. These are the Afghanistan Reconstruction Trust Fund (ARTF), implemented by the World Bank, under which sub-level programmes that Finland supports are the MISFA and the NSP. Another MDTF, the Law and Order Trust Fund for Afghanistan (LOTFA) is implemented under the auspices of UNDP.

According to informants on the ground, previous evaluations and this evaluation's own assessment, MDTFs are an efficient channel for aid contributions. They support fragile and failing states in a joined-up manner, reducing fiduciary and political risk exposure, pooling information, coordination, administrative and various access costs (Review of Post-Crisis Multi-Donor Trust Funds, final report, February 2007). They serve as effective instruments for resource mobilization and allocation because they are managed by respected multilateral institutions with the experience and resources to bring requisite expertise and controls. For instance, with a new and relatively inexperienced government at the helm in Afghanistan, there is insufficient knowledge, capacity and resources to run such complex programmes alone whereas the World Bank and UNDP have the capacity to manage them while imparting skills and techniques to government officials. MDTF's handle risk and information management and act as a useful forum for policy dialogue and coordination. There is consensus that they generate 'positive externalities' such as training and mentoring while keeping necessary checks and balances in a high-risk, high-cost environment such that Afghanistan represents. On the other hand, MDTF's are a relatively new concept as aid channels and there is no long-term evidence to prove how effective they are. Their performance is being monitored closely. To date, they have proved to be flexible to changes of direction or focus, incorporating the NSP when this was recognized as an emerging need.

MDTFs should be considered as an interim solution, not to be prolonged. The core development cooperation in fragile states is its contribution to the state building process and to the development of institutions and capacity. MDTFs can create parallel structures – where delivery mechanism is not fully integrated in national systems – that could undermine this state building process. MDTF's are arguably an effective way to channel aid in Afghanistan at the moment but it is important to evaluate them against the progress in Afghan government capacity.

Within Afghanistan the concept of the MDTFs is not well known among the local population. There is criticism in the general populace that international donors follow their own agendas rather than the needs of the country, that international aid is 'big business' for the donor countries and 'their' NGOs, and that more emphasis should be placed on heeding the voice of the people in designing their own development priorities. The fact that the MDTFs support the development policies and priorities as expressed by the GoA is little understood, which suggests the need for a sustained media campaign to explain how they operate.

While MDTFs are cost-effective by freeing up limited funds for operations and minimizing administrative costs, it is difficult to assess their impact at all levels. Given their multi-year operating timeframe, time is needed to evaluate the medium to long term impact they may have on other important programmes and learn to what extent they may inhibit the capacity of government institutions to grow by taking away their learning potential to run them themselves. Perhaps the best gauge of their impact to date is that they foster step-by-step processes of development that allow for flexibility and a change of course if necessary, an attribute that is useful within the changing context of a fragile state such as Afghanistan.

ARTF and LOTFA to which Finland contributes are not sustainable in the long run if they are not complemented by a gradual phase-in of Afghan fiscal responsibility for them. The international community cannot continue to pay civil servants' salaries for an indefinite future. There has been an increase in Afghan revenue over the past two years and part of this is being put towards paying government salaries. However, it has been pointed out that Afghanistan was historically never able to cover its governance costs and therefore the long-term prospects of being able to do so in future remain questionable, according to those interviewed. Despite the lack of sustainability, these are well-run programmes that are necessary to increase the efficiency of civil servants and gradually train them to deliver better services to the population. MISFA, on account of its reimbursement mechanism, has better in-built sustainability.

Projects financed through these channels are geared towards strengthening community and individual capacities but there is a gap between this level and the decision-making line ministries in Kabul. In other words, there is no capacity strengthening of the middle level – provincial and district level administrations. This issue has been raised in interviews and the response is that what has been started is a process: first, capacitate the government, then build up the grass roots and finally, the middle level provinces and districts. There is some merit to this argument and the situation is far from perfect, but there is a limit as to how much can be done at once, and how much capacity there is to absorb it all. It therefore remains to be seen if the strategy is right. The government is in the process of moving the 'Programme for Sub-National Administration' from the Ministry of Interior to an Independent Directorate on Local Governance in the President's office. This is seen as a positive

step by other ministries and the international community towards raising the visibility of the programme and giving it added influence to focus on strengthening provincial and district administrations and their functions.

5.2.3 UN Agencies

Those to which Finland has channeled funds include UNDP (LOTFA), UNODC, UNEP, World Food Programme (WFP), United Nations Children's Fund (UNICEF) and the Office Of The United Nations High Commissioner for Refugees (UNHCR). The UN agencies are sound channels for multi-lateral funding because, like the World Bank, they have in place checks, safeguards and better risk-management than those attributed to the Government. The idea is to have the UN agencies, apart from filling their own mandates, to serve as international standard-bearers and institutional mentors to the Government until it is strong enough to manage its resources independently. The choice of UN agencies is relevant to Finland's programme preferences, including governance, rule-of-law, counter-narcotics, humanitarian activities and protection of the environment. Performance and impact is discussed more fully and individually in sections below.

5.2.4 Security Sector Reform

Although Afghan security forces have made progress, Afghanistan is still almost totally dependent on foreign forces for security. Furthermore, it faces a threat from an insurgency, well supplied from abroad, that knows how to exploit the weakness of the security forces inside the country as well as safe havens inside and outside Afghan territory. While police are an important component of the Afghan National Security Forces, the police force is under-developed and still in transition from a system of militias loyal to local commanders and warlords, to a professionally led, ethnically balanced, national force.

Provincial Reconstruction Teams (PRTs)

Finnish military participation to the UN-mandated International Security Assistance Force (ISAF) operation supports the Finnish role in Afghanistan and enhances its credibility among the international community. Unfortunately there is little progress in addressing concerns raised in interviews regarding coordination, coherence and complementarity of the different PRT strategies. This is mainly due to the sensitive nature of the PRTs and their nations' wishes to maintain separate policies on the depth and spread of activities that go beyond security and stabilization (quick impact projects, hearts and minds projects, etc.).

There seem to be as many PRT models as there are PRTs. This applies both to the military and civilian components of the PRTs. A 2005 study, before all the PRTs in Afghanistan were transferred under ISAF command, compared different PRT models

(Jakobsen 2005). The study separated three different models, i.e. the German, UK and US. It concluded that the UK model (basically one that has been utilised in PRT Maimana with Finnish participation) was found to be the most successful because it is characterised by joint civil-military leadership with minimal military interference in the civilian reconstruction activities. Also the force protection posture was seen as more relaxed than in the other two models. In making comparisons it is naturally necessary to take into consideration the different locations and security demands on the PRT.

Different countries also use PRTs, especially their civilian components, differently. USAID for example has its development advisors in almost every PRT and United States/USAID uses them as their channels to the reconstruction and development efforts. They consider the PRTs to have a much wider role in development than some other countries. Finnish partners in the two PRTs where Finland has participated (Norway and Sweden), have a slightly different approach to Finland. Their personnel in the PRTs, including both military and civilian, do not conduct or implement projects themselves, but act as conduit for their national assistance. Both countries channel bilaterally significantly higher amounts of funding than Finland into the provinces where they operate and PRT (civilian) personnel are used for monitoring, supervising and project identification purposes. The idea behind this is clearly to separate the military from development activities. This was also the Finnish approach in Maimana, but not organisationally so strictly separated.

In general, observers consider that the PRTs have performed well in the activities that lie within their particular expertise - support to the police, with the aim of promoting a safe environment for development. NATO puts across this idea even more bluntly, saying that development without security is unachievable and security without development is meaningless (http://nato.int/isaf/topics/recon_dev/index.html). On the development side the track record may not be so good. Some development tasks have not been well-prepared or coordinated with the national priorities of Afghanistan. There is also a reason to believe that the cost-effectiveness is low as military deployment itself is expensive (for ex. Humanitarian and Reconstruction Assistance to Afghanistan 2001-05. A joint Evaluation Summary Report. Chr. Michelsen Institute, Copenhagen Development Consulting and German Association of Development Consultants, October 2005). This, however, is more a reflection on those PRTs that themselves conduct projects as part of the military structure. The Finnish approach from the very beginning has been successful as only the civilian component dealt with the project issues. There was more developmental thinking behind than just winning hearts and minds. The project activities were coordinated with the local administration and police and also Afghanistan Stabilisation Programme (ASP), dealing with police infrastructure provision, was contacted to avoid duplication.

The modus operandi of the project activities of the PRT Maimana was successful as far as the civil-military interface is concerned. The decision to focus on Security Sector and Local Administration Reform enabled good working relationships with other humanitarian and development actors in Faryab province. The main reason for this was the clear policy not to penetrate into other actors' areas but to engage in sector that were not on the agenda of others.

European Union Police Mission in Afghanistan (EUPOL)

It would be remiss to talk about Security Sector Reform without mention of EUPOL, a new initiative in police reform complementary to LOTFA (see next Section below). EUPOL Afghanistan was launched in June 2007. The mission builds on previous international efforts in the field of rule of law and concentrates in particular on police monitoring, mentoring, advising and training. Its mandate also includes improving cohesion and coordination among international actors for policing. The purpose is to bring together the different initiatives of the Member States under one mission. Finland is the second largest contributor to the mission after Germany. As the activities aim to cover the whole of Afghanistan, the staff of 160 police, law enforcement and justice experts was deemed to be too small and under-resourced from the outset. Some difficulties can be expected in harmonizing the police training already received by the Afghans from different international actors. Challenges in communication and control between Kabul and the provinces are also among the main issues to be tackled. To succeed in this long-term challenge, the EUPOL mission needs to provide meaningful training and create trust and ownership with the local population. Consequently, a culture-sensitive approach and the successful combining of security and development challenges will be required, particularly since the mission is operating in a field that is targeted by many development assistance programmes.

5.2.5 Support to Finnish NGOs

The work of the NGOs supported by Finland has not been evaluated due to their geographical locations being too far for the short time-frame of this evaluation, but judging from the activities they are carrying out, they are highly relevant and should continue to be supported. The activities include: maternity and child protection, training of midwives and basic health care awareness classes to women, mental health training through the training of community health workers, disaster preparedness training and awareness to children and communities, working with the disabled to help them integrate into society, security training to journalists, training for construction, agriculture and literacy, legal advice and services in women's centres and legal support in court cases. These are essential grass roots activities that contribute to capacity building and support to the most vulnerable, as well as constituting the cross-cutting priorities of Finland's development policy. It is true that some of the NGOs may be working in places that are isolated and insecure, but the operating environment in all Afghanistan is a high-risk undertaking. Given the

above arguments about remaining engaged in the country, support to these NGOs is an important means to reach the most impoverished, under-educated and vulnerable, and should continue.

The above notwithstanding, it would be important to evaluate the impact, effectiveness, efficiency, conflict- and context-sensitivity of the Finnish NGOs in order to ensure the proper use of Finnish funding. It is recommended that an independent consultancy firm, of which there are a few emerging in Afghanistan, be commissioned by the Finnish Embassy in Kabul to undertake a study of these NGOs.

An evaluation of Finnish Humanitarian Assistance conducted in 2004 strongly cautioned against mixing aid and proselytism (Evaluation of Finnish Humanitarian Assistance 1996-2004; Evaluation report 2005:2, pp. 72-75). It is far from clear that the recommendations in the evaluation have been followed. The present evaluation not only reiterates them but also strongly advises the Ministry of Foreign Affairs to remind all NGOs operating in Afghanistan of their commitments to the NGO Code of Conduct (<http://www.ifrc.org>) and to withdraw funding from any of them who contravene it.

5.2.6 Humanitarian Aid

Finland's assistance towards the return and reintegration of refugees and IDPs is highly appreciated and has contributed to the successful return of some 3.5 million persons since 2003. The policy of funding humanitarian aid is coherent with Finland's policy of saving people's lives, relieving suffering and helping those who are in the most vulnerable position (Finland's Development Policy, Government Resolution 5.2.2004, p. 35).

The same policy states that 'the choice of the channel for [humanitarian] aid is made on the basis of the organization's mandate and its capabilities in the crisis area in question'. UNICEF, WFP and UNHCR have proven capabilities in their respective fields and have been both long-term partners of Finland and Afghanistan. The humanitarian aid channeled through these organizations is relevant to the needs of the situation. Such approaches are not only coherent with regard to the MDG and Afghanistan Compact goals but are also indicators of Finland's continued humanitarian concerns in alleviating the plight of the most destitute, disenfranchised and vulnerable.

This being said, humanitarian activities are well-funded and will be likely to remain so because of their perceived status among donors as priority activities. There is actually less need for Finland to continue funding the humanitarian activities it has supported up till now, and by these agencies' own assertions (Interviews in Kabul 18.10.2007) they receive full-funding every year. Only WFP has concerns in this regard. The evaluation recommends that, to further reduce the streamline its

pragmatic approach of choosing a small number of large, appropriate and core-funded partners, and in the interests of agency need rather than humanitarian need, future funding of UNICEF and UNHCR could be carefully re-considered. Because of WFP's greater difficulties in raising funds for targeted activities such as school-feeding, and providing food rations to the most desperately in need, continued funding is still required.

ECHO and the International Committee of the Red Cross have warned in interviews and reports that humanitarian access is narrowing in Afghanistan due to the spread of insecurity. In addition all the humanitarian agencies are preparing for another 'winterization', preparing food and non-food items (NFIs) for the most vulnerable and pre-positioning supplies closer to areas that are likely to be cut off by the winter snows. Given Afghanistan's propensity for natural as well as man-made disasters, to which it has insufficient capacity to respond to on its own, it will be necessary for Finland and other donors to maintain their ability to provide fast-track emergency humanitarian funding, in case of need, for the foreseeable future.

The de-mining activities conducted by United Nations Mine Action Service (UNMAS) have not been evaluated. However, because of their high relevance and obvious benefit to rural populations whose land cleared of mines can once again be used productively coupled with an apparent unending need for additional resources, Finnish support to this sector should continue. A 2006 report indicated that children continue to be killed and maimed by landmines in Afghanistan (Landmine Monitor, 2006: <http://www.icbl.org/lm/2006/>)

5.2.7 Local Cooperation Funds

Due to the short timeframe in Afghanistan and the lack of information on the projects, the Finnish Local Cooperation Funds administered by the Embassy in Kabul, were not evaluated. That said, there was a discussion on the funds and problems on disbursing them both in Helsinki and Kabul. Although the title of the programme refers to discretionary funding of the Embassy, the final decision-making is still happening in the MFA, in cases higher than € 200,000 grants or covering more than 30% of the annual funds for respective embassy/ambassador. It is possible to make multi-year commitments and agreements at the field level, but the funding appropriations are made annually by the MFA. This arrangement was seen as cumbersome and constituted a delay in disbursement of the funding. For example this year it was only in late October when the embassy got clearance to use some of the funds allocated to them.

In general there is not too much enthusiasm on the embassy side to extend the use of Local Cooperation Funds. The Embassy in Kabul is short of supervising and monitoring capabilities, which seems to be the biggest problem not only in Kabul but elsewhere as well. There is a question of sustainability with the funding as the procedure allows only one-year contracts.

5.2.8 Coordination

Coordination poses a problem among the myriad different actors in Afghanistan, national and international alike. Among donors, coordination mechanisms are in place: Finland participates in JCMB jointly with other Nordic countries, Norway being the current representative. Norway consults all the other Nordic countries before attending the meetings. JCMB also holds regular meetings outside Kabul. In 2007, for example, there was a JCMB meeting alongside the Rome Conference on Rule of Law in Afghanistan as well as the UN General Assembly. In Kabul there are several donor coordination fora in which Finland participates. The most relevant are EAG (External Advisory Group, which is a monitoring board for ANDS development), EU Development Heads Meetings, joint Nordic meetings on several different topics, ARTF donor meetings (lead by WB), MISFA, NSP and LOTFA donor meetings. A high level official from the GoA usually attends the ARTF, NSP and LOTFA meetings.

The problem, according to many people interviewed, is that meetings are dutifully attended but, essentially, participants continue to work according to their national priorities, set by their capitals. These fora are at best useful information-sharing gatherings but are not always able to re-set priorities if the need arises, especially if programmes have already been set in place and funding channeled to them. This is less of a problem with the MDTF meetings where flexibility is possible if it is necessary to re-examine approaches and or re-direct funding.

In discussions with several actors the issue of coordination deficiencies between donors was recurrent. The EU in particular would welcome more effective coordination, instead of the somewhat token presence of other major donors in coordination meetings where little meaningful information is shared. Discussing the merits of improving coordination at field level with USAID, the somewhat defensive view was that it was up to the Afghan Government to ensure it, despite recognizing the State's weakness and need for assistance to make it happen. When a major donor such as USAID makes its plans to reconstruct schools, clinics and other infrastructure, the secrecy that appears to surround these decisions means that others cannot plan their own activities. There is thus potential for overlap in some areas and gaps in others. Several NGOs had issues with regard to coordination and, while they attested to working well with each other in Faryab province, the overall perception was that the 'big donor' was not forthcoming with information about its activities, and that this jeopardized planning their own. Finland could usefully raise this issue in EU fora, promoting the view that it would be relatively simple to improve coordination on the ground and would also contribute to local administration capacity/confidence-building while reinforcing solidarity between local partners. European donors might for example suggest that increased European military support for NATO goes hand in hand with improved coordination in reconstruction and development activities.

There are also challenges in coordination between different ministries. Each ministry is concerned with its own activities and unable or unwilling to see the bigger context. This clearly comes up for example in counter-narcotics policies. The Ministry of Counter Narcotics should be leading the collective effort, but being small, inefficient and under-represented in the provinces, it has not been able to take the leading role. The Ministry of Interior also plays a crucial role but is by all accounts the most corrupt ministry, using its strength and influence to conduct activities that are not commensurate with its role and that contradict counter narcotics activities. Similarly, the separation between the Ministry of Rural Rehabilitation and Development and Ministry of Agriculture hampers a comprehensive and coordinated approach to alternative livelihoods issues, which represent a crucial arm of development policy. Weak coordination among the main stakeholders and donors is not helping the situation. To a great extent these weaknesses are part and parcel of the learning process of building strong government institutions, and reflect the problems inherent in having a large number of actors with often differing views and aims.

Another area where the team noted insufficient coordination was in conducting monitoring and evaluations. The costs in time and resources to the Afghan government in responding to evaluation visits has been noted in the OECD's 2006 Survey on Monitoring the Paris Declaration report. It would make sense for donor government evaluations to be undertaken jointly whenever possible, given that many of them are supporting the same programmes that need evaluating (MDTFs, UN and various ministries). For instance, the Nordic countries might find added value in fielding joint evaluations of their activities and the over-pressed, over-interviewed Afghans would welcome it. This was also recommended in an evaluation of Finnish Humanitarian Assistance 1996-2004:

Future measurements of relevance and results should be conducted through more systematic monitoring, including multi-annual, global partner performance reviews (e.g. a significant review of each of a small number of partners every here-to-five years). Such reviews could be combined with close monitoring of and influence on the organizations through Finland's membership of executive boards, and/or as a member of the EU, Nordic and 'like-minded' donor groups, and operations-specific field monitoring (e.g. by embassy-contracted consultants.) (Evaluation of Finnish Humanitarian Assistance 1996-2004, Evaluation report 2005:2, p.75)

5.3 Outer Circle: Sector and Population Analysis

Where the real impact of these programmes and mechanisms must take hold is at 'ground level', and here, judging how much of an impact they have had so far is a mixed challenge. For instance, the longer-term impact of LOTFA and UNODC is not yet verifiable, but already, impact is being felt in the smallest villages in the case of NSP/CDCs. MISFA has had a high impact on those it has included in its programme but little impact on, or relevance to, those not included, except in some cases where

employment is generated for expanding businesses. Certain important activities, such as environmental protection, are under-credited and difficult to gauge results in the short-term; the overall counter-narcotics effort has achieved positive outcomes in unexpected quarters and the effectiveness of PRT reconstruction activities continue to fuel the 'blurred lines' debate about mixing military and hearts and minds activities, that has accompanied them since their establishment in 2002. One thing that everyone agrees on is that the average Afghan citizen remains extremely poor despite the amounts of foreign aid that have poured into the country since 2002. Evidence of this was clear to the evaluation in its visits to rural communities.

5.3.1 Afghanistan Reconstruction Trust Fund (ARTF)

The Afghanistan Reconstruction Trust Fund was established by the World Bank in 2002 as a successor of the UNDP-governed AIAF. It was established primarily to fund the GoA's recurrent budget (the Recurrent Window), particularly the wages of civil servant outside the security sector. The Investment Window is used to fund priority investments in GoA's National Priority Programmes. The Fund is a key mechanism for building the GoA's capacity with regards to government planning, fiduciary controls, fiscal discipline, accountability and transparency. It is instrumental in promoting medium and long-term economic growth, making it the main vehicle for Government outreach and services to Afghan citizens. Since 2002 the ARTF has mobilised US\$ 1.83 billion to finance the civilian operating budget.

Afghanistan Reconstruction Trust Fund (ARTF) in US\$:

- Inputs 2002- 2007 2.27 billion pledged, 1.83 million paid-in.
- Outputs 2002-2007 1.5 billion (disbursed).
- Finnish Contribution 2002-2008 20.5 million.

There are recurrent and investment modalities of financing, which are reviewed below.

The ARTF Recurrent Window

The main bulk of ARTF funding is channelled through the recurrent cost financing. For the 2007 US\$ 270 million is tabled for the recurrent funding, i.e. financing the salaries and wages of over 220,000 non-uniformed civil servants, most of them working outside Kabul, and operating and maintenance costs of the Government. So far the division of funding has been 75% to 25% respectively. Out of the O&M, 75% has been spent in Kabul.

The relevance of the funding of ARTF Recurrent Window stems from the fact that by supporting the recurrent cost of the GoA, Finland is supporting the Government to take more control of its own activities. Along the lines of the Afghanistan Compact, funding recurrent costs, the Afghan Government is expanding its capacity to provide basic services to the population throughout the country. Recurrent funding is also going to the Core Budget of the government and is using the national Public Financial Management (PFM) systems and hence improving transparency but also accountability of the government.

The ARTF Recurrent window funds salaries of teachers, doctors, nurses, etc. Indirectly Finnish un-earmarked funding through ARTF secures the livelihood of hundreds of thousands of families all around the country. It is one way to overcome the perceived Kabul centricity, raised in many reports and by various informants, to be one of the flaws in aid to Afghanistan. Longer term impact is harder to evaluate at this point. Paying the salaries of teachers and nurses should contribute to better basic service delivery, and in the longer term for enhanced literacy and health indicators. This, however, largely remains to be seen because these sectors are almost entirely funded with external resources and therefore not sustainable. Funding of the ARTF, as well as the other MDTF's, needs to be seen as a process rather than a distinct activity with neat outputs and outcomes. That salaries are paid efficiently and on time has an obvious positive morale-boosting impact on the civil servants who can be considered 'proximate beneficiaries'; that it will improve their performance, commitment and delivery to 'ultimate beneficiaries' ie. the general population, is an outcome that will need to be measured with time and using nuanced indicators.

There is, however, a great concern on sustainability. Funding recurrent costs is not sustainable in the long run if the GoA is not able to complement recurrent costs by a gradual phase-in of Afghan fiscal responsibility. The international community cannot continue to pay civil servants' salaries for an indefinite future. However, there has been an increase in Afghan revenue over the past two years and part of this is being put towards paying government salaries. In 2006 there was 40% rise in the domestic revenues compared to the previous year. The budget for 1386 expects continuation of increased domestic revenue up to US\$ 715 million, covering 7,2 % of the GDP. These are small amounts. However it has been pointed out that, historically, Afghanistan was never able to cover its administration costs and therefore the long-term prospects of being able to do so in future remain questionable. Despite the lack of sustainability, recurrent costs funding is efficiently-run and, coupled with better training, necessary to increase the efficiency of civil servants. It is also an indispensable contribution to the state-building and capacity development of the government, as well as in setting up a functioning public sector.

The ARTF Investment Window

The Investment Window of ARTF comprises 11 active projects divided into three broad categories: (i) Infrastructure, (ii) Public sector Capacity Development, and (iii) Rural Development. Finland has preferenced half of its ARTF funding to the NSP and Microfinance projects (MISFA), which both are directed towards rural development. This once again is coherent with the stated objectives of Finnish aid to Afghanistan.

National Solidarity Programme (NSP) in US\$:

- Inputs 2003-2007 450 million.
- Outputs 2003-2007 383 million (block grant disbursements to CDCs).
- Finnish Contribution 2007 1.35 million.

The National Solidarity Programme is the flagship project in Afghanistan, contributing to the rural focus objectives that Finland has set for its aid to Afghanistan. It is having a direct, positive and visible impact on the living conditions of thousands of communities in the rural areas of Afghanistan.

NSP started functioning in September 2003 and has been considered one of the most successful programmes in Afghanistan. The objective of the programme is to lay the foundations for strengthening community level governance, and to support community reconstruction and development projects that improve access of the rural communities to social and productive infrastructure and services.

The baseline idea of NSP is to mobilise the communities to elect CDCs to make up a Community Development Plan with development priorities for the community, and would be given a Block Grant transfers to support rehabilitation and development activities planned and implemented by the elected CDCs. The amount of Block Grant is dependent on the size of the community, the average grant being US\$ 27,000(maximum US\$ 60,000).

Since its involvement in September 2003 up to mid-2007, the NSP has covered 279 districts in all 34 provinces in Afghanistan with more than 17,800 communities mobilised out of the target of 21,600. Approximately 17,000 CDCs have been elected, benefiting some 10.5 million people. 28,900 sub-project proposals were approved with more than 23,000 projects financed with Block Grant disbursements amounting to US\$ 380 million and total Block Grant commitments of US\$ 408 million. Around 11,700 sub-projects have been completed successfully. These outputs are impressive.

The University of York conducted a Mid-term evaluation on NSP in early 2006 and their survey identified significant evidence of:

- Increased public faith in the system of government.
- Improved community relations.
- Improved state-civil society relations.
- The empowerment of CDCs.

The evaluation came up with several recommendations and refinements that could yield some outstanding developmental achievements in terms of both sustainable institution-building and economic growth. In all, the evaluation recommends the donor community to continue supporting the NSP for a medium- to long-term period of 10 years in order to consolidate its gains and fulfil its potential.

The success behind NSP lies in the factors that the communities are given the right to decide and organise themselves the priorities and needs of their community. This allows them to take the ownership supported by capacity building activities in terms of financial management, procurement, technical skills, and transparency. There is little evidence on the corruption or misuse of funding as the communities are considering the money to be their money. Every community has to provide 10% of community contribution which also is working to that goal, as well as to the cost – effectiveness of the money spent as the CDCs try to achieve maximum result with the amount of funding at their disposal. The NSP project also considers working through a number of NGOs as facilitating partners to have been the right choice as this enabled a fast reach to the whole country. Also the Programme has received significant buy-in from the donors which has made it possible to grow fast. According to the evaluation's observations, NSP has had a positive impact on the communities. Most of the rural communities are in need of basically everything and NSP is working towards fulfilling those needs. As the communities themselves are defining the priorities, the impact is immediate, for example in water supply and improvement projects. Access to potable water has directly contributed to the health situation in the villages, as attested to by women interviewed. Improved road conditions help communities in their everyday movement to markets. In the communities interviewed by the team, there is a great level of satisfaction and appreciation to NSP. This said, the Block Grant given to each community is only a starting point in the development of the communities and there was a concern on how to meet the huge demands for development.

In the context of Afghanistan, every programme faces difficulties in implementation, and this applies also to the NSP. Especially in the Southern provinces the facilitating NGOs and the CDCs have not been able to function as they should have due mainly

to insecurity hampering project delivery. There have also been problems with disbursement of the grants for Ministry of Rural Rehabilitation and Development to CDCs. The biggest problem facing NSP is the sustainability after the completion of the projects with the first Block Grant. To be able to keep the process ongoing, the CDCs need continuous support from the government to continue the implementation of the Community Development Plan. However, there has been limited buy-in from the government as they see NSP as overly NGO-driven. The gap between the government and NSP needs to be narrowed to enable the government to take a bigger ownership of the project.

Another positive spinoff from NSP is that other organisations and projects start working through CDCs in channelling funding and defining the priorities of development. This has been one of the objectives of the CDC by-laws approved by President Karzai earlier this year, and preparations to enact a full law on CDCs have been started. The aim is to use CDCs as entry points for development in the communities. With these by-laws the CDCs were given an official status to be followed by a legal status with enactment of the law. The implementation of this is by far the most critical issue in securing the sustainability and consolidation of the CDCs in the future.

It is recommended that Finland continues earmarking funding to NSP, and even increase it.

Microfinance Investment Support Facility for Afghanistan (MISFA) in US\$:

- Inputs 2003-2007 119.3 million (ARTF contribution).
- Outputs 2003-2007 317 million (cumulative loan disbursement).
- Finnish contribution 2003-2007 1.35 million.

MISFA was set up in 2003 at the invitation of the Afghan government - to get donor coordination right from the start and avoid the counter-productive efforts that have emerged from conflicting donor objectives in other post-conflict situations. It was the first facility of its kind, pooling diverse donor funding mechanisms and converting them into streamlined, flexible support to microfinance institutions in Afghanistan (<http://misfa.org.af/>). MISFA is highly relevant in the context of Afghanistan where demand for small-scale loans is high – and still growing – and where there was previously no alternative mechanism to provide them. It is a good example of a streamlined approach with common standards and rules, accompanied by technical assistance and strong performance monitoring, while at the same time tailored to local priorities. MISFA is also taking advantage of its unique opportunity to make a significant impact on Afghanistan's economy. It has helped to lift people out of poverty and keep them there. By teaching them to learn about sound business

practices, it has helped them to sustain and increase their businesses. This has had the added effect of raising employment levels and fuelling the economy through increased levels of spending power. Partner organizations learn to improve their own efficiency by applying strict financial discipline, resulting in an average repayment rate of over 90%. In this respect, micro-credit programs are an extraordinary tool for empowerment. They enable women who are among the most vulnerable, to borrow small amounts of money and break the cycle of poverty.

Afghanistan's microfinance sector has made significant strides in increasing outreach within three years and stands out in comparison to its peers (Mid-Term Review of the Microfinance Sector and MISFA in Afghanistan, October 18, 2006). After over four years of operation, the microfinance sector has about 365,000 active clients, nearly three-quarters of whom are women borrowers, with a gross loan portfolio of over US\$ 83 million, the average loan size being US\$ 266. The loan repayment rate has been nearly 95%, which not only shows the demand for the services, but also guarantees that the future clients will be able to have access to them through the money repaid into the fund. MISFA has played a crucial role in supporting the microfinance institutions (MFIs) and there is a clear justification to continue channelling funds to them to improve their capacity, outreach and sustainability. So far most of the MFIs have been NGO-type of actors. In the long term this type of approach will not cover the growing need for micro-credits. Therefore MISFA and six MISFA partner MFIs have registered as companies under Afghan law and others are expected to follow the example. This is a step forward in achieving their operational sustainability.

According to the World Bank, micro-finance projects under MISFA have been beneficial in providing individuals or families with small credits to initiate or support income-generating activities, but there is concern about the sustainability of these initiatives. The scheme may provide household security in the short-term but there is a bottleneck in moving upscale to small-to-medium enterprises through lack of higher credit. Higher credit is difficult to obtain because the banking and judicial sectors are not sufficiently developed to encourage investors.

Overall, MISFA is a project that is able to address the needs of vulnerable people in Afghanistan, enabling them affordable access to funding. Support to the most vulnerable groups is among the special focuses in the Finnish aid to Afghanistan and also in line with the MDGs. MISFA is the most appropriate channel through which to address that focus. Furthermore, MISFA and MFIs are tools that contribute to gender equality. In the latest update on Microfinance sector (update of Afghan Microfinance Sector, July 07, <http://www.misfa.org.af>), statistics show that women are recipients of 67% of the loans. Microcredit loans help women to start their own businesses and become employed. Previously women did not have any means to access funding. Microcredit loans are a good poverty reduction strategy in the long term as they provide the initiative to an individual or community, not creating aid dependency. The institutionalization of MISFA and MFIs will help create an inclusive

and integrated financial sector that serves the poor, making a major contribution to national objectives of fostering economic growth and reducing poverty and vulnerability. The evaluation fully supports Finland continuing to preference MISFA as part of its contribution to the ARTF and increasing the level of funding as planned for 2007-2009.

5.3.2 Law and Order Trust Fund (LOTFA)

- Inputs 2002-2006 US\$ 330 million.
- Outputs 2002-2006 US\$ 330 million.
- Finnish contribution 2002 US\$ 2.6 million.

Rebuilding the national civilian police force for national security and recovery represents one of the highest priorities for the Government of Afghanistan. The Afghanistan National Development Strategy envisions a professional, disciplined and reinvigorated police, widely visible to the public, creating a sense of comfort among the population (UNDP Press Release, 23 July 2007). The police sector is currently supported by approximately 25 countries and several international organizations.

LOTFA is the primary vehicle through which international contributions, channelled through UNDP which runs the programme, are used to reimburse the Ministry of Finance (MoF) for regular payment of police salaries and food allowances in all provinces of the country. Police remuneration is the primary priority of the LOTFA initiative, but any evaluation of LOTFA must be made within the context of overall police reform.

Started in 2002, police reform activities include:

- Training and mentoring.
- Providing equipment and infrastructure.
- Restructuring and reform, including:
 - o Establishing five police Regional Commands throughout the country.
 - o Revising the Chain of Command to include Regional Commands and to minimize the role of provincial governors.
 - o Redeploying additional police to southern Afghanistan to assist in counter-insurgency operations.

- o Eliminating some the Afghan Highway Police and Standby Police and creating a new Afghan National Auxiliary Police and Afghan National Civil Order Police.
- o Increasing the size of the police force from the Afghanistan Compact approved size of 62,000 to 82,000.
- Payroll Reform.
- Pay and Rank Reform.

According to a recent report by the Afghanistan Research and Evaluation Unit (AREU) (Wilder 2007), reform is having some successes but a number of important improvements are recommended. The report considers that pay and rank reforms have been the most important institutional reform initiatives in the police sector, which began implementation in late 2005. One of the objectives was to increase pay to the police force in order to facilitate recruitment and retention and reduce corruption.

Corruption is one of most serious blights of the police force, as well as of the Ministry of Interior (MoI) which oversees it, and one of the most difficult aspects of reform to enact.

There are some parts of Afghanistan where the last thing people want to see is the police showing up ... The police (in some areas) are corrupt. They are part of the problem. They do not provide security for the people – they are the robbers of the people (Wilder 2007).

Police are routinely accused of being corrupt and operating on an “arrest, bribe and release” basis; of violating human rights through arbitrary and illegal detentions and cruel, inhuman and degrading treatment of prisoners, including torture, and of being involved in criminal activities including theft, kidnapping, extortion and drug-trafficking. Another recent survey (Asia Foundation, www.asiafoundation.org) showed that it is common for Afghans to view the police as a major source of insecurity rather than security. Given that security is a top-priority concern for many Afghans, according to the survey, the bad reputation of the main institution responsible for protecting citizens threatens to undermine the legitimacy of the government. Rather than gradually building up popular confidence in the government, the opposite is happening.

Payroll reform is considered to have made much progress in reforming the ‘notoriously corrupt and unreliable police payroll system (AREU op.cit.)’. LOTFA has made improvements by:

- Paying the Afghan National Police (ANP) salaries regularly and on time (US\$ 70, due to rise later this year to US\$ 100 for the majority component of junior police).

- By enacting a headcount, reducing the large numbers of ‘ghost police’ who existed only on paper, and whose salaries were pocketed by police or militia commanders.
- By putting in place an electronic payments system (EPS), reducing the “skimming” of salaries by those responsible for money transfers, and by police commanders taking a percentage of the salaries of those under their command. EPS is currently being rolled out and is already complete in many districts. It is projected to be deployed in all 34 provinces for efficient and more accountable administration of financial resources of MoI. In interviews conducted with ANP officers for the AREU study, several commented on the improvements made in the timeliness of salary payments, and that the efforts put into ensuring that police officers were directly paid their salaries had reduced the amount of corruption and misappropriation of salaries.

The above improvements were confirmed by interviews on the ground. There is still a risk of corruption but the ID card system for police and the ESP transfer system are greatly reducing them, and improving police efficiency. Their main challenge these days is to find a way to transfer funds in a correct and timely manner to police offices in remote locations where there are no banks. All those interviewed were aware of LOTFA and said it had made a positive impact to their lives by the timeliness and predictability of payments. They also said the improved morale in the police force was also improving performance, though this could not be verified. Many commented, though, that even with the projected increase of salaries, corruption would still occur where it was possible to do it, because the salaries were still not enough to cover the cost of living of a regular police officer and his family. It was uncomfortable for the evaluation team to realize, also, that the very top were reputed to be the perpetrators of high level corruption themselves, evidenced by their possession of assets unlikely to have been obtained through legal means.

Despite all the problems inherent in police reform, LOTFA is a worthwhile channel for Finnish funding and the one area where significant progress has been noted. Finland, with other donors, now need to use their influence to enact two other major reforms that are linked to LOTFA, without which the major increases in human and financial resources directed towards reforming the ANP are likely to be wasted.

1 Make donor assistance conditional on comprehensive MoI reform. This is apolitical task that must come from the government itself, and it will be difficult because there is a lack of political will to go beyond recognizing and talking about the problem. Donors should make continued assistance conditional on comprehensive top-down reform of the MoI in order to protect their investments in police reform to date. If Finland is using its funding to have a ‘voice at the table’ for making a difference in policy issues, it will need to raise this one robustly and in tandem with other

major donors. The LOTFA project document does not address this issue and only proposes strengthening the capacity of MoI. The issue is a political one and will need political boldness.

2 Support justice reform. While the population has little confidence in the police (it is marginally better with respect to the Afghan National Army, this is not entirely the fault of the police: the lack of a viable justice system means that even if the police catch criminals, few are brought to justice and most are released through bribes – even convicted murders slated for execution (Article entitled *Condemned Gangster Timor Mysteriously Goes Missing*, Daily Outlook Afghanistan, 10.10.07). The Afghanistan Compact envisages that the transformation of Afghan National and Border Police into a fully constituted, professional, functional, ethnically balanced and increasingly fiscally sustainable force will be completed by 2010. The evaluation does not consider this to be a realistic timetable unless MoI reform and judicial reform are urgently addressed. For police reform efforts to succeed there is an urgent need to link police reform to judicial reform in a comprehensive rule of law strategy. To address this very issue, a new project is being drafted (Aide Memoire: *Afghanistan Justice Sector Reform Project*, scoping mission, July 28 – August 4, 2007) that aims to provide salaries for Justice Ministry staff, judges and prosecutors, to enhance their performance. Reforms need to go much further than this, but it is the start of another process. It should represent an important link with LOTFA and the evaluation recommends that Finland consider contributing to it as an added measure of coherence with its support to LOTFA.

With LOTFA and reforms in other sectors, the key is in the process, and it seemed clear to the team that the process is sound, flexible to improvements, already having an impact and a worthwhile investment. The process is also instrumental in getting more women into the ANP, and numbers are due to increase in the future, according to the next phase of LOTFA (Islamic Republic of Afghanistan/UNDP project document: Support to Law and Order in Afghanistan – Phase IV, 1 April 2006 – 31 March 2008).

5.3.3 United Nations Office for Drugs and Crime (UNODC)

Finland's contribution to the counter-narcotics effort is channeled through the UNODC, which received US\$ 0.56 million of Finnish funding in 2007. This is set to double in the next two years. UNODC's main work is to understand the dynamics of the narcotics industry in Afghanistan, to monitor, assess and report on it. UNODC runs parallel with the Counter-Narcotics Trust Fund, administered by UNDP, and there appears to be some blurring of distinction between the objectives and operations of the two bodies. Two key UNODC projects address counter-narcotics

and justice capacity-building in the GoA. By UNODC's own appraisal they are best at monitoring: estimating cultivation trends, yields and future harvests, assessing the intention of farmers, investigating and reporting on border crossings, new opium-processing laboratories opening up, estimating outputs etc. as well as capacity-building within the Ministry of Counter-Narcotics. A goal of UNODC is to have Ministry personnel in key zones of the country and would like the provincial governors to take the lead on setting these up.

To evaluate the work of UNODC is to judge it in the light of collective national and international efforts to reduce and eventually eliminate the counter-narcotics industry in Afghanistan. By all indicators, these have failed dramatically. Afghanistan had a record harvest of 8,200 tons of opium in 2007, a 34 % increase in production over 2006. The total opium export is valued at US\$ 4 billion, an increase of 29 % over 2006. The opium economy is now equivalent to more than half (53 per cent) of the country's licit gross domestic product GDP), (UNODC report, 31 October 2007) According to the UNODC, while opium brings some revenue to Afghanistan, over 90 % of profits are made by international criminal gangs and terrorists networks. Afghan drugs pose a major threat to the security of Afghanistan and its neighbours, because of drug money flowing into the funding of terrorism. It is necessary to question why Finland should continue to fund a programme that has so manifestly failed to show return on investments and can thus be judged as ineffective and inefficient.

Perversely, while the collective failure of the sector in general would point to inefficiency and serious errors of policy, the evaluation found the collective counter-narcotics effort to be one of the most creative and thought-provoking sectors funded by Finland in Afghanistan. All international actors interviewed: UNODC, FAO, United Kingdom Department for International Development (DFID) and British Embassy representatives (though not so much the US) work together to explore different approaches that may make an indent in the spectacular rise of opium poppy production, processing and export. Their efforts, while ineffective so far, should be considered in the light of what might be happening were there to be no attempt at curtailing the industry. Seen through this perspective, which was offered by most informants during interviews and documents read, support to counter-narcotics activities is relevant at all levels. At the national and international levels it is relevant to halt the flow of funds to terrorists, insurgents and Al Qaeda, and to prevent these elements from further destabilizing the country, the region and the world; at the local level it is relevant to the general population: those who cultivate opium-poppy live with the prospect of having their fields destroyed at any given moment, or with the reward of successfully earning more than eight times what they might earn for wheat production (the next most valuable crop after opium poppy), if they manage to survive another harvest. The local population not involved in any aspect of cultivation nevertheless lives with the shame of it being anti-islamic and of their nation being considered internationally as a narco-state. Regionally, it also risks

destabilizing regimes and fuelling insurgencies. By most accounts, rarely has it been so necessary to invest so heavily in such a high-risk/high potential for failure endeavour that is linked to the global terror threat.

Perversely too, the narcotics industry has had positive impacts. Two of the most noticeable are:

- On individual growers and producers, whose incomes have greatly improved where previously they could not make so much money from licit crops; greater demand for production has brought employment to many different sectors of the economy (Pain 2007).
- On the construction industry, which has enjoyed a boom in most provinces and in Kabul. It is hard to prove that the rise in construction is commensurate with the rise of poppy production but most people are quick to see the link. In all probability the boom has become a conduit for laundering drug profits, with the result that it has generated employment, increased the circulation of money in the economy and generally created wealth – unevenly, but with a discernible trickle-down effect on ordinary people.

Ultimately, the evaluation believes it is the right policy for Finland to continue funding UNODC in order to retain influence in decision-making fora and to show international solidarity for a thankless but necessary task. Inclusion in this ‘club’ implies showing firm resolve, in concert with other donors, in persuading the President to reform the Ministry of Interior, dismiss those known to be involved in corrupt practices at all levels and thereby send a strong message that the rule of law will prevail even over the strongest warlords and wrong-doers. Those interviewed were unanimous in their belief that this is the only thing that will work to curb corruption and narcotics proliferation.

5.3.4 United Nations Environment Programme (UNEP)

Protection of the environment is an important tenet of Finnish overseas aid. Finland has funded UNEP in Afghanistan since 2002 but plans to cease funding altogether as of 2008.

UNEP is not an operational agency. Its activities have concentrated on building up national capacity for environmental protection through its work in five thematic areas: environmental institutions (reform) and coordination, law and policy, environmental impact assessment, information and education and community-based natural resource management. Since 2002, the agency has helped create the National Environment Protection Agency (NEPA), train staff and codify best practices into legal instruments, establish a national environmental strategy, conduct campaigns on environmental awareness, train the media on how to focus on environmental

reporting and sensitize the population to the effects of climate change. It is difficult to judge the impact of these activities so far. Like most of the other activities taking place in the country, these are long-term measures whose impact can only be truly assessed in the long-term. Furthermore, Afghanistan has suffered such environmental degradation, especially de-forestation, which continues on a commercial scale, that it would be difficult to point to any tangible evidence of success. One of its constraints is the high turnover of staff, partly due to new job opportunities after training (a civil servant in NEPA receives US\$ 40 per month whereas US\$ 800 can be earned in a private company).

One meaningful impact is likely to be felt when a new law on access to grazing land will be enacted. UNEP has been instrumental in creating and fostering the passage of this law. Access to grazing land has become a source of conflict between communities. The law foresees communities obtaining custodial rights to land and the resources on it for 30 years – long enough to persuade people to care for the land and not abuse it, but not outright ownership. This is a coherent policy in reducing the potential for inter-communal conflict while at the same time gradually weaning mindsets off the Soviet-imparted encouragement to exploit resources and into more modern practices of protecting land for sustainable use.

By its own assessment, the majority of capital costs have already been covered through previous contributions and the future budget for UNEP and NEPA has significantly reduced. The evaluation concurs with Finnish policy to discontinue funding this well-run and relevant activity whose achievements appear to have been under-credited. Finland received excellent visibility through its partnership with UNEP.

5.3.5 Provincial Reconstruction Team (PRT)

This PRT was first led by the UK, followed by Norway as leading nation. In 2004 Finland provided a military presence and civilian experts to PRT Maimana which established itself as a unique way of doing things by setting up a command group comprising the military commander and three civilian experts. The group decided at the outset that all projects conducted by PRT should focus on Security Sector Reform and Local Administration Reform. The idea behind thinking was that only security brings development.

The development activities conducted by PRT Maimana with Finnish funding can be divided into three main categories:

1. Support to the police force in the form of infrastructure, training and equipment.

2. Support to the local government in the form of infrastructure, training and equipment.
3. Support to the Maimana prison with infrastructure project.

The total amounts of support to these sectors can be found in the table below:

Grant category	US\$
Police	1,185,382
Local Government	467,492
Prison	236,500*
Others	3275
Total	1,892,149

* estimated cost as not all the projects have been finalised

PRT Maimana had some sound principles in managing the projects. It involved local administration in planning, prioritising the projects and locations, functions of the infrastructure projects, as well as selection of the contractors. The PRT expected local ownership in the projects. The tendering process was conducted in a transparent manner as 3-6 contractors were asked to take part in the bidding for each project.

Although the highest share of funding has been spent on police and local administration infrastructure the most direct impact can probably be seen by Finnish improvements made at Maimana prison. With provision of lightning for the prisoners, building a whole new facility for female prisoners and establishment of a workshop premises for some prisoners to have a possibility to work during their confinement, the living conditions of the inmates has been greatly improved, as evidenced by the evaluation. There is still much work to be done in the field of prison improvement, which is not the most 'fashionable' within the donor community.

Besides infrastructure projects, Finland has also provided training and material especially to the Criminal Investigating Departments (CID) in Faryab. According to the Norwegian Police officer in PRT Maimana, the work done with the CID has been tremendous and the support from Finland is highly appreciated. The experiences of the training have been encouraging and similar training has been also started in PRT Chagcharan in Ghowr district.

One question that remains to be seen and requires additional follow-up is the sustainability and impact of the projects supporting the police in Faryab. The evaluation team could not assess to what extent the projects conducted in Faryab have actually contributed to the performance and effectiveness of the police, on how they utilize their training nor how the projects have improved force protection for the

PRT. It is useful, then, to consider that Finland has contributed to making the police more effective and that the training provided by the German Police Project, the US and EUPOL along with the LOTFA component, are all contributing to the same end.

As Finland withdrew its troops and civilian component from Faryab and concentrated efforts on PRT Mazar-e-Sharif, the development efforts by the civilian component face many new challenges. In Faryab, the PRT was covering only one province. PRT Mazar covers four, with almost double the number of districts and more than double the population, whereas funding remains the same. There is also a change in the Finnish policy: from now on 40% of the money can be used by the Military Observation Teams for quick impact projects. This is understandable as there has been growing pressure for the PRTs to do more on development, but also makes it difficult to manage expectations as the funding will not meet demand. Unlike in the Faryab area where the number of international actors was relatively small, in the Mazar area there are multiple donors and other organisations. This poses challenges to coordination. The Finnish development advisor in Mazar has been in the area only for few months and is in the process of preparing a plan for the PRT development projects. The guidance from Helsinki is to concentrate on prison projects, a field in which probably that there are not too many actors and where the possible impact can quickly be achieved with relatively low financial input.

5.3.6 Afghanistan Independent Human Rights Commission (AIHRC)

AIHRC first started its activities with the help of UN funding in 2002. In 2006 it broke away from the UNDP-managed trust fund with some acrimony due to the high level of overhead costs that UNDP was charging, and outstanding amounts due from the Trust Fund still unpaid. This also promoted the 'Afghanisation' of the Commission which it considers to be a good thing.

AIHRC is the only national body to which Finland has channeled bilateral aid. Moreover, Finnish assistance is among the highest bilateral donors of the Commission (US\$ 1.15 m/2006) and has received AIHRC's gratitude for supporting its Action Plan without preference, ie. not funding special sectors. One of the major problems of the Commission has been the late receipt of donor funds, which has led to financial problems early in a year and even to suspension of some activities. Finland has earned further gratitude from the Commission from having paid on time, which often constituted the only funding available for its activities for a major part of the year.

The work of the Commission is relevant and coherent at all levels of analysis. Through its regional offices it has been working successfully at local levels addressing human rights issues concerning the rights and protection of women, detainee policy, improving police behavior through regular training, helping to resolve domestic disputes, media sensitization on reporting, transitional justice, etc. Impact is obviously highest on those who have been assisted but the evaluation noted signs

where human rights awareness is percolating down to local administration officials, including the police. Human Rights awareness is taught in schools and the work of the Commission has increased people's knowledge of how to recognize violations as well as their options in dealing with them. Women in particular have been assisted in cases where domestic violence has driven them to leave home or elope; self-immolation has reduced and women have become more emboldened to take court action against oppressors. There is still much work to be done to gradually change mindsets on human rights but, like everything else, it is a long process and it has at least started.

AIHRC has, from the outset, had to work under high political pressure. Questions of Transitional Justice and the Amnesty Bill proclaimed by the Parliament have especially raised tensions and increased threats to the Commission and its staff. Besides improving funding, the donor community should be vocal in defending the right of the Commission to address human rights and other issues in its mandate.

5.3.7 Marie Stopes International (MSI)

MSI is the only international NGO receiving Finnish support. Reproductive health is a major issue in all provinces and, from evidence gathered in Maimana, the evaluation believes that it is a highly relevant activity to fund. MSI Maimana has a consultation rate of 40-60 clients per day, attesting to steady local demand. Its positive impact on the local population is indisputable. It assists vulnerable families who the State has as yet little capacity to care for, vaccinates mothers and children, assists deliveries, trains people in family planning and reproductive health matters and trains midwives in Maimana town as well as from the districts. It is also one area where the evaluation noted a good sustainability policy, where the organization has plans to phase its activities into the national health plan in two to three years. The population is already being prepared for this change by the gradual introduction of cost recovery initiatives: each consultation now costs 50 afghanis (US\$ 1.) – though the fee is waived if families are truly destitute and no one is turned away.

This project fulfills all the criteria to be considered successful. Funding needs will continue until it can be phased into the Ministry of Health and the evaluation recommends, based on its relevance, impact and evident need, that Finland continue to support its activities until that time.

5.4 Cross-Cutting Issues

5.4.1 Anti-Corruption Efforts

Corruption has a corrosive impact at all levels of analysis examined in this study. Not only does it result in a divergence of aid from targeted beneficiaries, it also has pernicious effects on society. Essentially it comes down to an erosion of trust in the

GoA and in international agencies who are often perceived to be in collusion with the agents of corruption. The international community is vested, in the eyes of many Afghans, with tremendous power; by their logic, it is inconceivable that such powerful entities would not be aware of, or in league with, corrupt government officials. It is only a short step for the government and its international counterparts to be seen as 'enemies of the people' - exploiters, thieves and oppressors - notions that the Taliban are carefully nurturing in the public psyche. Another short step leads to people believing that the government and foreigners are no better than the Taliban, leading in turn to a sense of pessimism, anger and desire to be rid of them.

Corruption is a particularly corrosive element undermining the fight against drugs. The public view is that behavior at the bottom of the chain, ie. individual farmers and farm workers who produce opium poppy, will not change until officials at the highest levels: politicians and governors who are known to almost everyone, including international decision-makers as the main profiteers from the narcotics trade, are removed from office. This is now becoming the single most important decision that has to be taken if narcotics cultivation is to be stopped and for the rule of law to take root. It will involve sustained pressure by the international community on the President to remove these officials. Should he be thus persuaded and the desired action taken decisively, people believe that this would constitute a very strong message transmitted all the way down the line that the narcotics industry will no longer be tolerated, and would reduce it considerably. Other 'carrots and sticks', such as the introduction of alternative livelihoods, moral persuasion, fines, beatings and crop eradication, are likely to continue to be ineffectual in the absence of corrective action at the top of the food chain. Even the concerted international effort to improve national police performance and to implant the rule of law will remain ineffectual until an unequivocal example is made by dismissing the wrong-doers at the top. This is the stated opinion of all those interviewed during the course of the evaluation.

No single international donor can successfully exert such pressure at such high levels, but concerted action by them all could make a difference. Although in theory it could be supported by a national petition led by civil society groups, in practice this is an unrealistic expectation because people would be too afraid to put their names to such a document, or campaign openly for it. 'Local leadership' or 'ownership' cannot be expected in this case. Finland, as part of the international community with a vested interest in halting narcotics proliferation and thereby removing the means for the insurgency to procure arms with which to continue fighting, can use its 'voice at the table' to press for such action.

5.4.2 Conflict Sensitivity

Given that Finnish assistance to Afghanistan is provided in a post-conflict context the evaluation team considered it important to evaluate this aid through a conflict-sensitive lens. Has international aid in general, and the Finnish contributions by

implication, had harmful effects on the country that may jeopardize its longer-term recovery? The evaluation has been guided by the recently produced NORAD guidance document which usefully moves beyond the dilemmas posed by older approaches such as “Do No Harm” and “Peace and Conflict Impact Assessment” (NORAD, Assessment of Sustainability: Elements & Key Risk Factors – Practical Guide 2007).

Are there any significant changes in the conflict situation?

The record here is mixed. In the immediate aftermath of the 2001 United States-led Coalition military intervention and the ousting of the Taliban, external intervention may have sown the seeds of the current resurgence of conflict spurred by the Taliban. This cannot be examined fully in this evaluation but there are indications that the aid effort was less well-organized, less professionally delivered and more vulnerable to divergence than the Afghans had expected. The very vulnerability of this intervention stage could have led to the gradual resurgence of conflict that is now of serious concern in the south east of the country. The more the conflict spreads, the less space there is for development intervention – a space that can usefully be occupied by the insurgents a platform from which to spread the conflict to neighbouring regions. On the other hand, other parts of the country have become more peaceful, largely due to the presence of the PRTs but also to the removal of powerful warlords who have been co-opted into the government. The situation is still extremely fragile and could go either way, exacerbated by inappropriate international behaviour. The 2007 bombing of villages in the south to ‘flush out’ insurgents has had the unintended consequence of killing civilians, and this is the surest way to set Afghan mindsets against the international community.

Has the programme had unforeseen negative impact on the conflict dynamics in the area?

There is no evidence of cause and effect, but the fact is, since the start of the 2001 intervention there has been an exponential growth in the narcotics industry despite the best efforts of counter-narcotics programmes. The profits from this lucrative but illicit trade have fuelled the insurgency, spreading conflict to parts of the country that were hitherto stable. Other programmes are not noticeably having any negative impact on conflict dynamics. However, local calculations are starting to go as follows: “the only areas that receive massive amounts of aid are where there is conflict. There is no conflict in our area but the aid is not coming. What we need to do is get the conflict going so the aid will pour in”. This thinking is dangerously close to realisation in Faryab province where people believe themselves to have been forgotten by the ‘aid industry’. It reinforces the need to make development more visible, to ‘reward’ peaceful areas with more aid and starve those of it where there is conflict. Evidence from other post-conflict countries (notably Bosnia and Kosovo) shows that this approach can change local perceptions of conflict and development.

Has the programme contributed towards peacebuilding?

None of the programmes evaluated have a specific in-built peace-building component and it is difficult to judge outcomes at the current stage of their implementation. However it seems clear that programmes such as NSP and MISFA have indirectly contributed towards peace building in the sense that they have empowered people at local levels to engage in peaceful recovery and reconstruction activities of their own choice. Economic recovery is the most important road to peace and any activity that contributes to legal income-generation is likely to help the peace process. LOTFA has not yet had any discernible effect on peace building and by all accounts, the police continue to be perceived by the population as agents of fear rather than help. UNODC itself has not contributed to peace building but neither has it done any particular harm. These two programmes must be seen in the light of what might have been, if they had not been started, and what might be, if they are followed through for the time it takes to achieve positive outcomes.

Have any of the programme's deliverables been prevented or affected because of lack of security or other conflict-related causes?

Both lack of security and rising conflict are major causes of programme disruption. This has affected Finnish-assisted programmes less than other countries. Even in conflict-riven areas LOTFA, NSP and MISFA projects can and do continue to operate and the majority of Finnish NGOs are located in areas that are so far relatively stable. Programmes directed to education for girls could be considered to be the worst-affected by the conflict since there have been a number of girls' schools destroyed in conflict areas. ECHO reports that the worsening security situation has significantly reduced humanitarian space and that it is becoming increasingly difficult to reach populations in need of humanitarian assistance.

Is information management and communication with the relevant partners and actors adequate?

On the whole there are good individual initiatives by various programmes to inform the population about them and encourage them to participate. However the lack of popular awareness about aid intervention in general is problematic. To a certain extent this represents a propaganda war with the insurgents, whose message is grosso modo to the effect that foreigners have a sinister agenda when bringing their aid, one that is not likely to help ordinary Afghans which is why they must be chased from the country. The international community needs to do more to counter-act false statements and pernicious rumours by better use of the media, village elders and religious leaders to explain their programmes and how Afghans can benefit. Local radio programmes have been shown to be highly effective in sending messages such as how each family can improve domestic hygiene and nutritional practices, and could be used to equally good effect to explain and report on other programmes.

Religious leaders are reported to be the most effective in disseminating messages and have been particularly helpful in persuading people that it is un-islamic to grow and sell opium poppy, contributing to decreases in production in several districts (Pain 2007).

Afghanistan would be an interesting case study for the conduct of an in-depth analysis of the conflict-sensitivity principles of external aid. The evaluation did not have the time to make such a study, but would recommend this to be an area for future consideration.

6 CONCLUSIONS AND RECOMMENDATIONS

1 International assistance over the past six years has been instrumental in helping Afghanistan to stabilize, recover and rebuild, allowing ordinary Afghans to maximise their own development strategies. The country has achieved some major milestones since 2001, largely due to the impact to date of the policies and actions pursued by the international community. However, Afghanistan is a fragile state with an equally fragile society and a long history of violence. International assistance is partly having perverse effects but there are also many programmes with high impact potential. As the country could go either way, this is an important time for decision-making.

2 Supporting and rebuilding Afghanistan is a long-term project. In keeping with the needs of all fragile states, a sustained and substantial international effort is needed to prevent them from slipping back into destabilization, violence, conflict and a threat to global peace and security. There is also a moral imperative for providing an opportunity to nations whose citizens are mired in an unending cycle of poverty and violence, to climb out of this cycle.

3 The impact that international aid is having in Afghanistan will require long-term commitment by donors to reach its long-term potential and sustainability.

4 Finland's intervention rationale in Afghanistan is aligned with its policy of promoting global peace and security through its contributions to peace-building and peace-keeping, poverty reduction, economic development, good governance and respect for human rights. The policy itself is aligned to the norms of international relations as laid down in the UN Charter and implemented in Afghanistan.

5 Finnish aid to Afghanistan is in line with best international practices as well as with the Finnish development cooperation strategy. There is basically nothing fundamental that the Evaluation Team can fault with regard to the Finnish choice of strategy, funding channels or programmes.

6 Assisting fragile states implies making multi-year funding commitments to promote funding predictability and planned budgeting. Finland recognizes this need and is committed to following it in Afghanistan. A recent Paris Declaration monitoring report (2006 Survey on Monitoring The Paris Declaration, Country Chapters, Afghanistan) of OECD shows that 100% of Finnish technical assistance is coordinated with country programmes (only five out of twenty-five countries monitored had 100% ratings).

7 The current mix of programmes selected for Finnish funding reflect a development policy that is highly relevant in the context of Afghanistan. Taken in isolation these contributions may not have a high impact, but channeled as multi-year pledges through multilateral programmes ensures their maximization and added value. The fact that they are paid on time also maximizes their value. Furthermore, intervention in the selected areas mirrors the pillars of priority action proposed in the Afghanistan National Development Strategy. The priority themes of the Finnish development policy, namely poverty focus, gender and social equality, human rights, good governance and rule of law, are selected for their 'joined-up' programming and Whole-of-Government approaches to development at all levels of society, representing agreed benchmarks of good practice.

8 Systemic effects of Finnish assistance include: coherent policy, promoting 'Whole-of-Government' approach and conflict sensitivity. Limited funds are freed up for operations, minimising administrative costs and making the aid delivery highly cost-effective. Because of the short timeframe the impact is difficult to assess in some cases. In the case of humanitarian aid and reproductive health assistance, impact has been high. Oversight mechanisms are good for multilateral programmes, but less so for bilateral projects. The Government of Afghanistan relies heavily on technical assistance (TA). TA is implementing tasks rather than mentoring, which makes it unsustainable and reduces cost effectiveness.

9 The evaluation confirms the respect accorded to Finland as a donor among its peers. It ranks fifth on the Commitment to Development Index for 2007 (The CDI ranks 21 of the world's richest countries based on their dedication to policies that benefit poor nations. It measures national effort in seven policy areas that are important to developing countries. Centre for Global Development: (http://www.cgdev.org/section/initiatives/_active/cdi/_country/finland) There are clear patterns of timely delivery of funds and of prompt personnel deployments. This allows the international effort to be efficient, as many other donors experience delays that prove detrimental in a fast moving situation (2006 Survey on Monitoring the Paris Declaration, Country Chapters, OECD). This is for example the case of the AIHRC, who attested to being able to carry out its activities for much of 2006 thanks to the early payment of the Finnish contribution.

10 Finland's approach of providing 'core' and un-earmarked funding to multi-lateral programmes helps predictability and planning and is much appreciated by government counterparts (Ministry of Finance) and the UN agencies. Funding through a small number of large partners increases the impact and value of Finland's limited contribution. The approach will be necessary for the foreseeable future, and is recommended to continue with some adjustment under its present form.

11 The evaluation has not been able to identify in any prior evaluations or academic discussions as to how aid should be delivered differently, and from its own observations concludes that the mix of programmes and delivery mechanisms that Finland supports are the right ones. A possible alternative strategy would be to fund bilateral projects, but this would entail significant increases in transaction costs and is not recommended in the fluid environment of Afghanistan. Other European donors have drawn similar conclusions: ARTF is the most important channel of funding for the UK, the Netherlands and Ireland, and third for Denmark. All have distributed their aid through humanitarian, military (except Ireland), development and, recently, crisis management instruments. The development assistance of these countries is channelled through a similar mix of programmes to Finland (Humanitarian and Reconstruction Assistance to Afghanistan 2001-05. A Joint Evaluation Summary Report. Chr. Michelsen Institute (lead agency), Copenhagen Development Consulting and the German Association of Development Consultants, October 2005).

12 Multi-Donor Trust Funds (MDTFs) are a useful conduit for donor assistance because they minimize management constraints and increase synergy. Finland has been able to maximize its assistance impact by channelling its funds through the ARTF and other trust funds in Afghanistan. This is an efficient approach that benefits both the donor and the aid recipient.

13 This being said, MDTFs should be considered as an interim solution, designed to contribute to the state building process and to the development of institutions and capacity during a certain stage of recovery. Beyond this stage there is a danger that MDTFs can create parallel structures where the delivery mechanism is not fully integrated in national systems. This would undermine this state building process. MDTFs are arguably an effective way to channel aid in Afghanistan at the moment but it is important to evaluate them against ongoing progress in Afghan government capacity. The evaluation found that Afghanistan is not near the stage yet where the MDTFs will become redundant.

14 Within Afghanistan the concept of the Multi Donor Trust Funds (MDTFs) is not well known among the local population. There is much criticism in the general population that international donors follow their own agendas rather than the needs of the country, that international aid is 'big business' for the donor countries and 'their' NGOs, and that more emphasis should be placed on heeding the voice of the

people in designing their own development priorities. The fact that the MDTFs support the development policies and priorities as expressed by the Government of Afghanistan is little understood, but a central element of legitimacy. Finland must emphasize that communications with and information to people at all levels must be more effective in order to combat inaccurate and corrosive assertions.

15 On individual programmes and organisations, ARTF is a well functioning trust fund that is fulfilling the necessary and inevitable role of supporting the GoA to pay the salaries of civil servants. The two projects under ARTF Investment window, the NSP and MISFA, may be the two best functioning development programmes in Afghanistan. They both address the population outside Kabul and support the development of ordinary people on the ground. It is recommended that Finland continues earmarking funding to NSP, and even increase it. On security sector side, LOTFA is an inevitable link in the chain of developing a functioning police force. PRT projects in Faryab have similarly contributed to the development of one provincial police force.

16 An important reason, confirmed through examination of alternative scenarios, for funding key activities in Afghanistan is to have 'a voice at the table' in international discussions where important strategies are formulated and decisions made. Finland could use its voice to more strongly promote consideration of alternative ways to tackle the key problems in Afghanistan that have been mentioned in this report.

17 Reports (Wilder 2007) show that the population has little confidence in the police, and the situation is only marginally better with respect to the Afghan National Army. This is not entirely the fault of the police: the lack of a viable justice system means that even if the police catch criminals, few are indicted. Rather than gradually building up popular confidence in the government, the opposite is happening. The evaluation finds this to be a specific failure of effectiveness because justice sector reform has been recommended in evaluations and studies since 2002, but little effective results obtained.

18 To narrow the gap between improved police action and subsequent failure of the justice system, a new project is being drafted (Aide Memoire: *Afghanistan Justice Sector Reform Project*, scoping mission, July 28 – August 4, 2007) that aims at bringing the hitherto largely ignored legislative branch into the heart of the governance process, concretely by providing salaries for Justice Ministry staff, judges and prosecutors, to enhance their performance. This should represent an important link with LOTFA and it is recommended that Finland consider contributing to it as an added measure of coherence with its support to LOTFA and overall support to governance.

19 Finland, and its partners in the various donor coordination fora, could strengthen their combined voices to insist upon the removal of high-level officials

who are known to be engaged in corrupt practices, especially with regard to narcotics trafficking (International Crisis Group 2007, <http://www.crisisgroup.org>). The effect of allowing these officials to remain in their posts is to allow corruption to trickle down the administrative hierarchy. Once people see that the key players have been removed, a strong message is sent and the ripple effect would have a beneficial influence on counter-narcotics activities. This said, there is no exclusive solution for stopping the narcotics trade, and complementary strategies will be needed over the long-term to wean Afghanistan from its lucrative but illegal main foreign exchange earner.

20 Coordination in Afghanistan has certain inefficiencies. Finland participates in a number of coordination fora within Afghanistan and outside. It also participates indirectly in the JCMB through the current Nordic representative, Norway, who consults closely with the other Nordic countries on JCMB issues. However, coordination needs to be more effective in terms of harmonizing donor priorities and resources, and improvement is particularly necessary at provincial level.

21 There is strong evidence that multilateral development aid remains too Kabul-centric. The evaluation believes that the key to successful development and reconstruction will be through sub-national (provincial and district) level activities by developing a comprehensive framework for sub-national governance. Finnish choices to fund NSP CDCs, MISFA as well as UNODC are coherent with the shift in emphasis from Kabul to district and community levels, and should be pursued.

22 Projects financed through local channels are geared towards strengthening community and individual capacities but there is a gap between this level and the decision-making line ministries in Kabul. In other words, there is no capacity strengthening of the middle level – provincial and district level administrations. The evaluation notes that deficiencies have been partly recognized and are being addressed through the establishment of a new directorate for rural affairs in the office of the President.

23 The Government of Afghanistan lacks absorption capacity and has, at times, and in certain sectors, not been able to spend all the funding provided. The evaluation however concludes that the main weaknesses are delayed contributions from donors to the Treasury as well as challenges in coordination between different ministries. Finland should take up the issue of speed of procedures with other donors to enhance the impact of its own actions.

24 The line ministries rely heavily on Technical Assistants, which may not seem cost-effective on the one hand, but on the other, it represents a reasonable cost for bringing much-needed expertise to the ministries. The good work of TAs could be maximized if they were to spend more time mentoring Afghan civil servants and less time on doing the jobs themselves.

25 Significant individual and community benefit is derived from the projects proposed by the CDCs and implemented with the help of NGO implementing partners under the National Solidarity Programme (NSP). The approach of bottom-up development has been instrumental in communities' ownership of the projects they propose and work to achieve. There have been some bottlenecks in funding flows, resulting in some NGOs unable to continue the work and beneficiary complaints that the projects have been stalled. It appears that negotiations between the Ministry of Finance and the NSP have cleared the bottlenecks and the projects are on track for completion once again. There is, however, need for enhanced monitoring of the funding flows to increase efficiency of the disbursements.

26 Micro-finance projects under MISFA have been beneficial in providing individuals or families with small credits to initiate or support income-generating activities and are a highly relevant form of assistance, given high levels of poverty and unemployment in Afghanistan. There is a bottleneck in moving upscale to small-to-medium enterprises through lack of higher credit – difficult for most people to obtain because the banking and judicial sectors are not sufficiently developed to encourage investors.

27 Support to AIHRC contributes to many aims that Finland deems valuable, particularly legal support to women and other initiatives that are being slowly implanted in rural areas. There is still much work to be done in this field as a long-term sensitization process.

28 Finnish military participation to the UN-mandated ISAF operation supports the Finnish role in Afghanistan and enhances its credibility among the international community. Finnish-financed PRT projects focusing on Security Sector and Local Administration infrastructure improvement have filled a gap that other donors traditionally find less compelling (rehabilitation of prisons and local government offices).

29 Finland's assistance towards the return and reintegration of refugees and IDPs has contributed to the successful return of some 3.5 million persons since 2003. The policy of funding humanitarian aid is coherent with Finland's policy of 'saving people's lives, relieving suffering and helping those who are in the most vulnerable positions'.

30 Another important channel of intervention in Afghanistan is afforded by Finnish civil society organizations, supported bilaterally by the Ministry of Foreign Affairs. The work of the NGOs supported by Finland has not been evaluated due to their geographical locations and considering the short time-frame of this evaluation, but judging from the activities they are carrying out, they are relevant and context-specific. These are essential grass roots activities that contribute to capacity building and support to the most vulnerable, as well as constituting the cross-cutting priorities of Finland's development policy.

31 It would be important to evaluate the impact, effectiveness, efficiency, conflict-sensitivity of each of these NGOs in order to ensure the proper use of Finnish funding. It is recommended that an independent consultancy firm, of which there are a few emerging in Afghanistan, be commissioned by the Finnish Embassy in Kabul to undertake a study of these NGOs.

32 An evaluation of Finnish Humanitarian Assistance conducted in 2004 strongly cautioned against proselytism through aid. The present evaluation not only reiterates them but also strongly advises the Ministry of Foreign Affairs to remind all NGOs operating in Afghanistan of their commitments to the NGO Code of Conduct (<http://www.ifrc.org>) and to withdraw funding from any of them who contravene it. Not doing so would risk confusing the public message of Finnish assistance.

33 The costs in time and resources to the Afghan government in responding to evaluation visits has been noted in the OECD's 2006 Survey on Monitoring the Paris Declaration report. It would make sense for donor government evaluations to be undertaken jointly whenever possible, given that many of them are supporting the same programmes that need evaluating (MDTFs, UN and various ministries).

34 The evaluation notes the absence of outcome and impact monitoring systems, and the dearth of evaluative analysis of options taken in Afghanistan. This could be addressed by further developing local monitoring and evaluation systems, relying in part on Afghan research and consulting institutions, with technically-competent Afghan nationals. This would contribute to local capacity-building and would encourage the return of qualified personnel outside the public administration structures.

The following recommendations go beyond the conclusions stated above.

1 The evaluation considers that there is no reason why Finland's assistance to Afghanistan should not continue through the same channels of funding for the same mix of programmes.

2 Finland could consider increasing its overall level of contributions to Afghanistan within its global aid envelope. Increased ODA in general is necessary if Finland is to reach its goal of 0.7% of GDP to ODA. To narrow the gap between improved police action and subsequent failure of the justice system, a new project is being drafted (Aide Memoire: Afghanistan Justice Sector Reform Project, scoping mission, July 28-August 4, 2007) that aims to provide salaries for Justice Ministry staff, judges and prosecutors to enhance their performance. This should represent an important link with LOTFA and it is recommended that Finland consider contributing to it as an added measure of coherence with its support to LOTFA and overall support to governance. In addition, more robust support could be channeled to rural development programmes through increased funding to the NSP. A bold new

initiative for additional funding could be to open up a new aid envelope for transitional assistance. A broader communications effort may be needed to convince the public that assistance to fragile states is a long-term endeavour, of which Afghanistan is probably the most important case.

3 The narcotics industry is one of the biggest single problems in Afghanistan for the international community, though it is very successful as an income-generating activity for much of the population in rural areas. Current counter-narcotics initiatives are ineffective and extremely cost-inefficient. Then again the task is enormous, complex – and necessary. UNODC fulfils an important role of investigating, monitoring and reporting on trends in the industry, even though the evaluation finds some of its reports to be over-optimistic. Ultimately, the evaluation believes it is the right policy for Finland to continue funding UNODC in order to retain influence in decision-making fora and to show international solidarity for a thankless but important task. Withdrawing support from counter-narcotics efforts would not serve any purpose.

4 The evaluation recommends that Finland reconsider its decision to discontinue funding MSI just yet. The project fulfills all the criteria to be considered successful and women continue to have a pressing need for its services. The evaluation recommends, based on its relevance, impact and the population's evident needs, that Finland should continue to support its activities until it is phased into the Ministry of Health, planned for the end of 2008 or in 2009.

5 Conversely, while humanitarian needs continue unabated in Afghanistan and while past Finnish support to UNHCR and UNICEF has been useful, these two humanitarian agencies traditionally have few difficulties in securing funding and Finnish funding to them has less of an impact. WFP and United Nations Mine Action Service (UNMAS), however, would need continued support since they are perennially short-funded and have continuing high needs, high impact, and high relevance.

6 Finland and its partners in the various donor coordination fora, could strengthen their combined voices to insist upon the removal of high-level officials who are known to be engaged in corruption, especially with regard to narcotics trafficking. Moreover, donors should persist in their efforts at getting the GoA to commit to comprehensive reforms in the Ministry of Interior. Future donor assistance to LOTFA should even be conditional on effective and meaningful reforms.

7 More emphasis needs to be placed on the TAs in line ministries mentoring other civil servants rather than doing the job by themselves.

8 Greater monitoring and evaluation of the activities funded needs to take place, with a specific focus on the impact of programmes on the criminal economy, and in terms of conflict sensitivity. As the programmes are jointly implemented with other organisations, the M&E function should be developed locally, jointly with other donors. In particular an evaluation needs to be undertaken of the Finnish NGOs in Afghanistan. This could be done through a contract with local Afghan specialists.

REFERENCES

Afghanistan Independent Human Rights Commission 2006 *Annual Report January-December 2006*.

Afghanistan Independent Human Rights Commission 2007 *Economic and Social Rights in Afghanistan*. Report II, August 2007.

Afghanistan Justice Sector Reform Project. Aid Memoire, scoping mission, July 28-August 4, 2007.

Afghanistan Justice Sector Reform Project, Aide Memoire, Scoping Mission 2007 *Assessment of the scope for strengthening the role of the NSP Community Development Councils in local Governance*, draft, June 8, 2007.

Afghanistan Reconstruction Trust Fund 2007. *Report to Donors, First Quarter of the Afghani Fiscal Year 1386, March 31, 2007 to June 21, 2007*.

Asia Foundation 2007 *Afghanistan in 2007: A survey of the Afghan People*. – www.asiafoundation.org (October 2007).

Boyce K & M O'Donnell (eds.) 2007 *Peace and the Public Purse: Economic Policies for Postwar Statebuilding*. Lynne Rienna Publishing, Colorado, USA.

Chr. Michelsen Institute, Copenhagen Development Consulting & German Association of Development Consultants 2005 *Humanitarian and Reconstruction Assistance to Afghanistan 2001-05 from Denmark, Ireland, the Netherlands, Sweden and the United Kingdom*. A joint Evaluation Summary Report, October 2005.

Collier O & Hoeffler A 2004 *Greed and Grievance in Civil Wars*. Oxford Economic Papers 56(4).

CIDA 2006 Report by President Karzai to the Canadian Parliament, September 2006. <http://www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/En/JUD-1267497-H2R>.

Council of the European Union 2005 *EU-Afghanistan Joint Declaration: Committing to a new EU-Afghanistan Partnership*. Press Release, 16 November 2005, Strassbourg.

Daily Outlook Afghanistan. Local Afghan newspaper 10 and 22 October 2007.

ECHO 2007 *Humanitarian Aid for Vulnerable People Affected by the Consequences of the Afghan Conflict and Natural Hazard in Afghanistan, Iran and Pakistan*. Global Plan 2007. Humanitarian Aid Committee, December 2006.

ICBL 2006 Landmine Monitor, <http://icbl.org/lm/2006/developments.html>

International Crisis Group (ICG) 2007 *Afghanistan's Endangered Compact*. Briefing No. 59, 29 January 2007. www.crisisgroup.org.

International Crisis Group (ICG) 2007 *Reforming Afghanistan's Police*. Asia Briefing Note No. 138, 30 August 2007.

Islamic Republic of Afghanistan & UNDP 2006 *Support to Law and Order in Afghanistan – Phase IV, 1 April 2006 – 31 March 2008*.

Jacobsen PV 2005 PRTs in *Afghanistan: Successful but not sufficient*. DIIS Report 2005:6.

Mid-term Review of the Microfinance Sector and MISFA in Afghanistan, October 18, 2006.

Ministry for Foreign Affairs of Finland 2004 *Development Policy*. Government Resolution 5.2.2004.

Ministry for Foreign Affairs of Finland 2005 *Evaluation of Finnish Humanitarian Assistance 1996-2004*. Evaluation Report 2005:2.

Ministry of Counter Narcotics, Kabul and the United Nations Office on Drugs and Crime, Kabul 2006 *Poppy Eradication Verification in Afghanistan*. Periodical Report nro. 1, 17 December 2006.

Ministry of Finance, Islamic Republic of Afghanistan 2007 *Progress Report from the Ministry of Finance on Aid Effectiveness*. 31 January 2007.

Ministry of Finance, Islamic Republic of Afghanistan 2007 *Prioritizing Aid Effectiveness. Taking Forward the Afghanistan Compact and Paris Declaration Commitments*. Final draft 18 April 2007.

NORAD 2007 *Assessment of Sustainability Elements / Key Risk Factors – Practical Guide*.

OECD/DAC 2006 *Survey on Monitoring the Paris Declaration, Country Chapters, Afghanistan*.

OECD/DAC 2007 *Peer Review of Finland*.

OECD/DAC 2007 *Draft Guidance on Evaluating Conflict Prevention and Peace-building Activities*. DAC Evalnet & DAC Network on Conflict, Peace and Development Cooperation, July 2007.

Paaanen A 2006 *Afghanistan ISAD Support to Government of Afghanistan through Meymaneh PRT, Faryab province, Phase II and Extension of Civilian Projects*, Sept 2005-Dec 2006.

Pain A 2007 *Water Management, Livestock and the Opium Economy – the Spread of Opium Poppy Cultivation in Balkh*. Afghanistan Research and Evaluation Unit (AREU) Case Study Series.

Scanteam (Norway) 2007 *Review of Post-Crisis Multi-Donor Trust Funds. Country Annexes, Annex H*. The Afghanistan Trust Funds, February 2007.

The Afghanistan Compact. London 31 January-1 February 2006.

Ulkoasiainministeriö 2007 *Kansalaisjärjestöbankkeet. Ulkoasiainministeriön tukemat kansalaisjärjestöjen kehitysyhteistyöbankkeet vuonna 2007*. Helsinki, Finland.

UNDP/ LOTFA 2007 *Quarterly Project Report, 1st quarter 1386*.

UNEP 2006 *Capacity Building and Institutional Development Programme for Environmental Management in Afghanistan*. Progress Report January-June 2007.

UNICEF 2007 *Humanitarian Action, Donor update, July 2007*. http://www.unicef.org/infobycountry/files/Afghanistan_final_DU_25Jul07.pdf.

University of York, Post-war Reconstruction and Development Unit (PRDU) 2006 *Mid-term Evaluation Report of the National Solidarity Programme (NSP), Afghanistan, May 2006*.

UNODC 2007 *New Measures against the Afghan Opium Tsunami*. 31 October 2007.

USAID 2006 *Provincial Reconstruction Teams in Afghanistan*. An Interagency Assessment, June 2006.

Wilder A 2007 *Cops or Robbers – The Struggle to Reform the Afghan National Police*. Afghanistan Research and Evaluation Unit (AREU) Issues Paper Series.

World Bank 2007 *Afghanistan: Assessment of the Scope for Strengthening the Role of NSP Community Development Councils in Local Governance (Draft)*.

ANNEX 1 TERMS OF REFERENCE

Ministry for Foreign Affairs of Finland

Department for Development Policy

Unit for Evaluation and Internal Auditing

EVALUATION OF THE FINNISH DEVELOPMENT AID TO AFGHANISTAN

1. Background

Since 2001, Afghanistan has been recovering from a long period of conflict and social instability. The country has currently a democratically elected parliament and president. Outbreaks of unrest and violence occur. Corruption is common.

Afghanistan, being one of the poorest countries, is a recipient of donor aid. Today, the most significant donors are USA, the EC, Japan, UK, Canada, the Netherlands, the Nordic countries and India. The large international entities, the World Bank and the United Nations organizations, have a central role in the co-ordination and delivery of aid. Consistent with the 2001 development policy of Finland, Afghanistan has been supported from development aid budget since 2002. The Finnish development aid has largely been channeled through a number of joint-financing arrangements with international financial institutions and the special development programmes and organizations of the United Nations.

In 2006 a pledging conference was organized in London in support of Afghanistan. The conference adopted the Afghanistan Compact and an interim development strategy for Afghanistan (I-ANDS), which constitute the basis for external aid to this country. For the purpose of aid co-ordination, a Joint Co-ordination and Monitoring Board (JCMB) were established, in which Finland participates through a joint Nordic representation. JCMB endeavors to co-ordinate the cooperation between the bilateral donors, the large international development organizations and the Afghan government. The United Nations Assistance Mission in Afghanistan (UNAMA) is working together with the Afghan government in the co-ordination function among all the development aid organizations. Further to the significant international donors, a large number of international non-governmental organizations (NGOs) are also active in Afghanistan.

Recent aid disbursements of Finland to Afghanistan are in the range of 11.8-12.5 MEuro per year.

In 2006 in London, Finland pledged a total of 50 million euros in aid for 2006-2010.

Currently, the Finnish Government is in the process of finalizing the development policy paper for the next four years. This factor, together with the need to take into account the pledge made at the London conference in 2006, necessitated the launch of an external independent and holistic evaluation of Finnish development aid to Afghanistan.

The evaluation comprises two sections: on the one hand, it evaluates the development aid portfolio from 2002 to 2006, and on the other hand, the evaluation is forward looking and assesses the current implementation and plans from 2006 to 2010.

Among the evaluation criteria, relevance of the Finnish aid in the Afghan context in the past present and future will be central, as well as compliance with and coherence between the relevant development policies of the two countries concerned, as well as the international development agenda. The evaluation will analyze achieved results against these policies and against the set objectives and target indicators, and more recently, the development plans made and the assumptions and target-setting therein.

2. Purpose, Use and Target Audience of the Evaluation

The purpose of the evaluation is to critically look at Afghanistan as a recipient of aid in the valid development policy context of Finland. The evaluation shall offer external independent opinion on the implementation and results of the past aid programme, including its delivery mechanisms, partners, and volume, as well as on the degree to which the set plans have been adhered to, and to what extent the results anticipated have been achieved. Likewise the purpose of the evaluation is to receive a critical look at the present and planned programme of Finland in Afghanistan.

The results of the evaluation can be used to feed in the process of defining development policy, as well as in decision-making concerning aid and modalities of aid delivery to this country. The results may also be used to improve the delivery mechanisms of other programmes in similar situations.

The specific target audience of the results of the evaluation comprise the development policy- makers and political decision-makers, but likewise, also planners and development officers responsible for the implementation and monitoring.

Thus, the rationale of this evaluation is derived from the need to obtain a critical assessment of the entire Finnish aid portfolio in Afghanistan, to improve the aid policy, effectiveness of its implementation and impact in the future.

3. The Objective and Results of the Evaluation

The objective of the evaluation is to obtain an assessment of the overall policy coherence of aid to Afghanistan in respect of the Finnish development policy and in respect of the situation in Afghanistan.

As a result of the evaluation an assessment will be obtained of the significance and of the value added of the Finnish development aid to Afghanistan as one of the members of the international aid community. Similarly, an objective analysis will be obtained on the validity/invalidity of choices of aid delivery mechanisms, areas of operation, and intervention sectors and areas. – The results will be made available to decision-makers.

4. The Scope of the Evaluation

The entire development funding policy and implementation portfolio of Finland to Afghanistan from its inception will be evaluated, as well as the current implementation and plans of assistance related to the pledge to Afghanistan from 2006 to 2010, together with the validity/invalidity of the assumptions made, and targets and indicators set.

The evaluation will consider the Finnish development aid portfolio in relation to the overall development effort in Afghanistan. The evaluation will include an estimation of concrete results of the past Finnish development aid in Afghanistan to-date and an analysis of the current programme in relation to the development policy of Finland against the actual situation in Afghanistan.

The evaluation will compare inputs towards achieved outputs, outcomes, results and possible / potential, direct or indirect, negative or positive, impacts against the originally set policy objectives, targets and indicators. Due to the relatively short time-span of about 5 years, development impacts may not yet be discernible, but an estimation of potential impact may be given. Moreover, the evaluation will assess the validity/invalidity of plans for 2006-2010, assumptions made and the development indicators set at the outset of the implementation against the relevant policy contexts and against the real situation in Afghanistan.

The work includes desk-study (incl. a short literature survey on aid in conflict situations) and interviews in Helsinki, and field visit to Afghanistan, as well as to the extent necessary, in the international development institutions represented in Afghanistan. Visits to the headquarters of the international development entities shall be considered at the time of working out the detailed specifics of the scope of work, which will be done with the evaluation team at the outset of the evaluation task. – The time-table (Annex 1.) of the evaluation is very tight which needs to be adhered to.

It is expected that the evaluation team will prepare a concise analytical framework for assessing development assistance in fragile post- and in-conflict states.

The OECD/DAC and baseline data available in the international development institutions may be used as the basis for this evaluation should it happen that the baseline assessments are lacking.

The evaluation will need to examine the intervention policies of the concerned parties, including those of Finland and Afghanistan, as well as those of the large international development entities involved in the country. The team needs to assess the overall aid architecture and level in the country. For this, also evaluations from other donors will be utilized.

The evaluation will consider the Finnish development aid portfolio in relation to the overall development effort in Afghanistan. The evaluation will compare inputs towards achieved outputs, outcomes, results and possible / potential impacts. Due to the relatively short time-span of about 5 years, development impacts may not yet be discernible, but an estimation of potential impact may be given.

Thus, of the five OECD/DAC criteria, *relevance*, *efficiency*, *effectiveness* and to certain extent an estimation of *sustainability* of development outcomes and results shall be estimated. The OECD/DAC definitions of these criteria are appended to these terms of reference as Annex 2. As stated above the *development impact* may be estimated through relevance and sustainability factors. Of the EU evaluation criteria *coordination*, *coherence* and *value added* shall be used.

5. Evaluation issues

In a country programme evaluation it is necessary to look at the aid programme of Finland in the context of development policies of both the donor and the development partner and other players in the field. The current country programme evaluation will assess the appropriateness of the Finnish development support in its past, on-going and planned entirety against the policies, needs, absorption capacity and development potential of Afghanistan.

Similarly, the evaluation shall assess the degree to which the partner country in her policies and practices has been/is able to fulfill the overall and specific criteria set for cooperation, those including the need for external aid, country's will for development and ownership to development process, existence of preconditions for development in general and in any particular area or sector. The validity of assumptions of the future plans is looked at through these same angles.

Essentially, the evaluation shall consider aid to Afghanistan against the development policy principles of Finland's aid, namely poverty focus, promotion of democracy and

social and gender equality, human rights, good government and environment-considerate development.

The evaluation will look at the achievements to-date, and make an effort to identify possible foreseeable negative or positive results and impacts, with the understanding that the time span from 2001 to 2006 is relatively short to have generated quantifiable impacts. The considerations in the context of each of the OECD/DAC evaluation criteria are given below. The evaluation will also assess the validity of the assumptions made in the plans for 2006-2007, and the validity of the targets and indicators set, in the current development context of Afghanistan.

Based on the assessment, analysis and interviews, the evaluation shall draw up a critical list of findings, on the basis of which, it will formulate clear and explicit recommendations on how, the Finnish development assistance to Afghanistan shall be oriented in the future.

5.1. Evaluation questions

In all the questions below related to the specific evaluation criteria, some leeway and consideration needs to be given to the fact that much of the Finnish aid programme in Afghanistan has been channeled through international joint arrangements. Thus attribution of outputs / results accomplished with funding from Finland will find some difficulty. Therefore, the evaluation probably needs to look at the Finnish support within the context of the large international entities.

The cross-cutting themes of the Finnish development policy, gender and social equality, human rights, good governance, democracy and rule of law, should be considered in connection with each of the evaluation criteria.

For example,

– has the gender and social equality dimension been taken into account in the planning and in the implementation of the programme? Is there any specific mechanism devised for that? – Similarly, each of the cross-cutting themes should be considered in the following.

– similarly, the questions below need to address all three aspects of Finnish Aid, past, present and future plans.

Further to the specific questions below, the basic dimensions derived from the definitions of the OECD/DAC evaluation criteria (Annex 2) shall be used.

Relevance

Policy relevance / needs relevance:

- Is the country programme based on proper situation analysis, and is it development policy-based in respect of both the donor and partner country?
- Are the stated goals and objectives of the country programme relevant to the central issues of the partner's development plans and priorities?
- Does the Finnish aid make sense in the current format and in the context of Afghanistan in relation to the needs and foreseeable needs and policies?
- Are the delivery modality and the selection of interventions relevant and valid? Is there in-build flexibility to comply with some changing needs?
- Relevance of the country programme interventions in relation to the stated beneficiaries?

Effectiveness

- Has the Finnish development programme in Afghanistan achieved its stated purpose? or can it within foreseeable future be expected to do so at the output / results level? Are set targets reached?
- Validity of assumptions and risk analysis made?
- Observed outputs / results in relation to time and other resources spent to achieve them?
- Are the benefits reaching the intended beneficiaries within reasonable time?
- Are the development interventions expected to result in measurable improvement in situations they are addressing?
- What is the level of ownership in development planning by the Afghan government?

Efficiency

- Are the material, human and financial inputs comparable with the observed outputs/results (results versus costs)?

- Management and coordination of the Finnish aid programme, is it cost-effective? Does it include proper aid management and steering systems, and aid governance with defined procedures? Coordination and joint-planning mechanisms? Role of Finland in these?
- Are roles of the Ministry, the Embassy and the international organizational clear?
- Role of the partner government in aid administration and planning?
- Overall aid coordination mechanisms among donors?

Sustainability

Due to the relatively short duration of involvement of Finland in the aid sector of Afghanistan, the assessment of sustainability of aid may be difficult and premature, as yet. However, the evaluation is requested to make judgment, whenever possible, at the appropriate level of detail, on the dimension of sustainability of results. The point of view of sustainability from the angle of local beneficiaries is important.

Other issues relevant to sustainability include

- adequacy of funding from local sources in the future?
- capacity of local governance and administrative systems? steps which have been taken to enhance and ensure sustainability?
- ownership of the development interventions? any steps taken to ensure building-up of ownership and handing over of tasks and responsibilities to local counterparts?
- any gradual handing over or phasing-out plans included in the initial programmes?
- what is the absorption capacity of aid at intervention and at system level, in terms of human resources, potential crowding-out of economic scale?

Impact

- Assessment of potential impact could be done through sustainability and through relevance criteria of observed outputs and results. An estimation could be drawn, taking into account the local conditions, on the possible and potential development impacts, positive or negative, of the aid programme of Finland.

Compliance

- in terms of policy compliance? compliance with the national and international development agenda pertinent to Afghanistan?
- in relations to the Millennium Development Goals, central in the international development agenda, and in the Finnish aid agenda – Afghan interim development plan?
- compliance of the entire aid delivery machinery deployed by Finland with the Paris Declaration agenda?

Coherence

- policy coherence with Finnish, Afghan, international development policies?
- relates also to efficiency – coordination mechanisms, have they been included in the initial plans and budgeted for?
- is coordination an explicit output?
- resources spent (time, human, money) on coordination and information sharing?
- coherence in terms of continuance (past-present-future)?
- does the Finnish constitution adhere to and promote the recognized best practices in aid in fragile situations?

Value added

- In the current structure of Finnish aid, does it make specific contribution, which otherwise would not be achieved?

Other

In addition to the above, the evaluation expert team shall consider any other question they, based on their specific expertise, deem necessary to assess for the benefit of the overall objective and result of this evaluation. The team shall use its expertise in identifying any missing aspects, gaps or dimension and to the extent feasible include it in the evaluation. However, the evaluation should be contained in the scope defined above.

6. Methods of Information Collection and Approach

Due to the quick pace of the evaluation, the work will be based to a large extent on primary information obtained by interviews in Helsinki and in Afghanistan of relevant persons and on possible questionnaires or interviews with the international organizations. In addition documented information will be made available to the evaluation team by the Ministry, which will also facilitate to the extent possible, obtenance of literary sources from the international institutions. Electronic sources of information should also be utilized.

The approach will be gradual, approaching from the policy, administrative and governance levels through to the mechanisms of aid delivery in the field at the organizational level there, and to the level of beneficiaries in the field.

Information on the Finnish development aid policy can be reached in the web-page of the ministry: <http://www.formin.finland.fi>

7. Reporting

The evaluation will result in a concise report, not exceeding 30 pages, but with additional annexes, if needed, expressing the collateral judgment of the expert team on the Finnish development aid portfolio and policy in Afghanistan. The report will have clear sections to results and findings of the evaluation and recommendations. The report will also have an executive summary in English and in Finnish, which do not exceed three pages. An abstract of no more than 250 words is required in the Finnish and English languages in the final version of the report.

A draft report will be made available to the Ministry for comments. After receipt of comments the evaluation team will finalize the report.

The reports shall be in the English language. The draft report shall be provided in the electronic form in *Word* formats and the final report both in the electronic form in *Word* and in *pdf* formats, and in five (5) paper copies.

Quality standards: The evaluation report shall respect the EU evaluation report quality standards, obtainable in the web-site of the EU AidCO Evaluation Unit http://ec.europa.eu.europeaid/evaluation/methodology/guidelines_gui_qal_flr_en.htm and observe the OECD/DAC development evaluation quality criteria, which can be reached in the web-page of the organization <http://www.oecd.org>

8. Expertise required

The optimal team will compose of two international experts and one local expert. One of the international experts needs to be fluent in Finnish and be well familiar with the Finnish development policy. The team members will have hands-on experience in assessment and evaluation of development situations in fragile states recovering from conflicts and in evaluating development interventions under these conditions. Additionally, research experience in these fields would be an asset.

9. Timetable

The approximate timetable of the evaluation is given in Annex 1. to these terms of reference. It is essential that the time schedule is rigorously adhered to.

10. Mandate

The evaluation team is expected to consult widely the stakeholders they deem necessary. However, the evaluation team is not entitled to make any commitments on behalf of the Government of Finland.

The information gathered in this evaluation is deemed confidential and may not be disclosed by the evaluation team members to any outsiders. The Ministry shall have ownership on this evaluation report and on all the information contained in it. The Ministry shall decide on the publicity of this information.

Helsinki, 24 September 2007

Aira Päivöke
Director

Annex 1: Tentative time schedule (contained in Annex 2 to HEL5729-76)

Annex 2: OECD/DAC definitions of the development evaluation criteria

ANNEX 2 LIST OF INTERVIEWS

Interviews in the Ministry for Foreign Affairs, Helsinki, Finland

Gisela Blumenthal, MD, Health Advisor, Department for Development Policy

Ulla-Maija Finskas, Director, Unit for Humanitarian Assistance

Christian Heikkinen, Associate Desk Officer, Afghanistan, Unit for Asia and Oceania

Elina Kalkku, Director General, Department for the Americas and Asia

Päivi Kannisto, Gender Advisor, Department for Development Policy

Ritva Koukku-Ronde, Director General, Department for Development Policy

Matti Kääriäinen, Deputy Director General, Department for Development Policy

Mika-Markus Leinonen, Director, Unit for Civilian Crisis Management

Mikko Leppänen, Senior Adviser, Unit for Development Financing Institutions

Päivi Luostarinen, Deputy Director General, Department for the Americas and Asia

Rauno Merisaari, Senior Adviser, Unit for Human Rights Policy

Leo Olasvirta, Director, Unit for Non-Governmental Organisations

Dr. Aira Päivöke, Director, Unit for Evaluation and Internal Auditing

Tarja Reponen, Director, Unit for Economic and Social Development

Dr. Olli Ruohomäki, Senior Advisor, Department for Development Policy

Rauli Suikkanen, Deputy Director, Asia and Oceania

Tanja Tamminen, Unit for Civilian Crisis Management

Interviews in Brussels

Nicola Dahrendorf, DFID, London

Clemens Potocki, Geographical Coordination and Supervision for Asia and Central Asia, International Aid/Cooperation Officer - Desk Afghanistan EuropeAid Cooperation Office

Raf Rosvelds, Desk Officer Afghanistan and Iran, European Commission Humanitarian Office

Paul Turner, Relations with Afghanistan, European Commission, External Relations Directorate-General

Interviews in Afghanistan

General Mohammed Zaher Aghbar, Chief of General Police, Ministry of Interior (MOI)

Commander Andarrabi, Provincial Chief of Police, Faryab

Ahmad Masood Amer, Programme Officer, United Nations Development Programme (UNDP)

A.S. Barez, Deputy Governor, Faryab

Wais Ahmed Barmak, Executive Director, National Solidarity Program, Ministry of Rural Rehabilitation and Development (MRRD)

Heather Barr, Programme Specialist Governance, United Nations Development Programme (UNDP)

Belinda Bowling, Environmental Law and International Conventions Expert, United Nations Environment Programme (UNEP)

Christopher Becker, Program Officer, Program and Project Development Office, U.S. Agency for International Development (USAID)

Eini von Becker, Development Advisor, Finnish Provincial Reconstruction Team, Mazar-e-Sharif

Ségolène de Beco, Technical Expert, Field Office for Afghanistan, Pakistan and Iran, European Commission Humanitarian Office (ECHO)

David Belgrove, Head of Counter Narcotics Team, British Embassy Kabul

Dirk Buda, Political Councillor, Delegation of the European Commission to Afghanistan

Mithulina Chattarjee, Senior Programme Officer, United Nations Development Programme (UNDP)

Hans Dieset, Development Advisor, Provincial Reconstruction Team, Maimana

Merete Dyrud, Councillor, Development Cooperation, Royal Norwegian Embassy

Lars-Olof Eliasson, First Secretary, Development, Swedish International Development Cooperation Agency, Embassy of Sweden

Begun Farah, Head Midwife, Marie Stopes International (MSI), Faryab

Seema Ghani, Consultant, Aatie Consulting, Kabul

V.N. Gnanathurai (Gana), DFID - Transformation and Modernisation of the Budget, Budget Department, Ministry of Finance (MoF)

Idar Grotle, Police Advisor, Provincial Reconstruction Team, Maimana

Christina Gynna Oguz, Representative, United Nations Office on Drugs and Crime (UNODC)

Patrick Halewood, Project Coordinator, Strengthening Provincial Capacity for Drug Control, United Nations Office on Drugs and Crime (UNODC)

Susanne Holste, Sr. Transport, Specialist Social & Sustainable Development Sector, The World Bank Group

Hamid Jalil, Aid Coordination Manager, Aid Coordination Unit, Ministry of Finance (MoF)

Sam Karvonen, First Secretary, Development Cooperation, Embassy of Finland, Kabul

Vladimir Krivenko, Law and Order Trust Fund, United Nations Development Programme (UNDP)

Salvatore Lombardo, Representative, United Nations High Commissioner for Refugees (UNHCR)

Anders Lovold, Second Secretary, Political Affairs, Royal Norwegian Embassy

Ismail Mahmood, Provincial Rural Development Advisor, Ministry of Rural Rehabilitation and Development (MRRD), Faryab

Alice Mann, Livelihoods Programme Manager, Department for International Development (DFID)

Hanne Melfald, Political Advisor, Provincial Reconstruction Team, Maimana

Timo Oula, Chargé d'Affaires, Embassy of Finland, Kabul

Saidullah Paiwand, Afghanistan Independent Human Rights Commission (AIHRC), Faryab

Gorm Pedersen, Socio-economic consultant, Food and Agriculture Organisation of the United Nations (FAO)

Shirish Ravan, Int. Project Co-ordinator, Illicit Crop Monitoring Programme, United Nations Office on Drugs and Crime (UNODC)

Sadek, Head of Security, Deputy Provincial Chief of Police, Faryab

Laurent Saillard, Head of Office, Field Office for Afghanistan, Pakistan and Iran, European Commission Humanitarian Office (ECHO)

Sima Samar, Head, Afghanistan Independent Human Rights Commission (AIHRC)

Abdul Shukur, Pashtun Kot Area Manager, Bangladesh Rural Advancement Committee (BRAC)

Shakti Sinha, Senior Governance Office, Office of the Deputy SRSG, United Nations Assistance Mission in Afghanistan (UNAMA)

Lane Smith, Development Advisor, U.S. Agency for International Development (USAID)

Lene Volkersen, Deputy Head of Embassy, Embassy of Denmark, Kabul

Andrew Weir, Chief Technical Advisor, Alternative Agriculture Livelihoods Programme, Food and Agriculture Organisation of the United Nations (FAO)

Others

CDC members in the village of Shah Nazar, Faryab province

CDC members in the village of Hamat Abad, Faryab Province

People in the village of Emam Sahib, Faryab Province

CDC members and people in the village of Pashtun Kot

Maimana Women Center for Learning; Head of Social Affairs and Head of Orphanage

Head of MRRD Faryab, Officer in Charge of NSP; Officer in Charge of Water and Sanitation

Officer-in-Charge of Provincial Management Unit, Faryab

ACTED Officer- in-Charge, Faryab Province

ANNEX 3 ANSWERS TO EVALUATION QUESTIONS

During preliminary briefings in Helsinki the evaluation team invited MFA officials to raise the questions that they would most like answers to. The following are the questions asked and the responses from the evaluation.

(a) What is the situation in Afghanistan? Is there real progress?

Yes, there is real progress in Afghanistan. Economic progress can be measured by its annual increases in GDP, estimated at 25% between 2002 and 2004 alone; it increased by an estimated 8% in 2007. Government institutions have been re-established, re-furnished, re-staffed and are running, not perfectly at all but they are functioning better than in 2001. Judging from one of the evaluator's work in Afghanistan in 2003, the situation has changed from one of humanitarian emergency to one of meeting chronic rather than acute needs. The health and education sectors have greatly improved though they are mostly supported by the international community, so this is not sustainable. Although the return of over 3.5 million refugees and IDPs since 2002 can be considered as positive, the places to which they have returned are often challenged with receiving them (poor infrastructure, areas of conflict, lack of employment), according to UNHCR. There has been progress in demining and security is good in many parts of the country, though the insurgency is making inroads into previously calm areas.

Progress can be measured at the local level where people's concerns have 'graduated' to issues such as access to schooling, clinics and land, whereas previously it had been access to food and water. However, in parts of the country there is still a chronic food shortage and water is a growing environmental problem. Progress can also be measured by the extent to which institutions have been strengthened at the central, provincial and district levels, and by the satisfaction of local communities with the CDCs. However there has also been some slippage over the last two years, marking reversals in the South and East. These areas are still far from secure, the insurgency being fuelled partly by massive increases in opium poppy production. The sustainability of the combined international effort is still an open question.

(b) Are these the right instruments to channel the aid – what would be the alternatives?

The evaluation considers that the instruments and mix of programmes that Finland has selected are sound. There is nothing that the evaluation can fault in strategy, funding channels or correct targeting of funds. One alternative would be to channel more to Government 'core' budget, directly to the Government. However, the evaluation considers that Afghanistan is not yet at a stage to receive direct funding until requisite safeguards have been built up. If the criteria for choosing programmes based on their proven efficiency and support to rural areas, NSP is the best performer in this regard, and MISFA is also very good, but reaches

less people. The people it does reach benefit directly. But as Finland wishes to have its voice in various fora, such as drugs control and the security sector, the programmes it has chosen to fund and the funding instruments are good ones. The evaluation finds that continued support of LOTFA should be contingent on serious reforms at the Ministry of Interior, but Finland would have to engage with other donors to put this message across more emphatically. Alone it would not make a difference.

(c) Should the aid be multilateral or bi-lateral?

Again, the mix of programmes that Finland has chosen is sound. Multi-Donor Trust Funds (MDTFs) are a useful conduit for donor assistance at this point in time in Afghanistan. They support fragile and failing states in a joined-up manner, reducing fiduciary and political risk exposure, information, coordination, administrative and various access costs. Finland has been able to maximize its assistance impact by channeling its funds through the ARTF and other trust funds in Afghanistan. This is an efficient approach and there is no capacity-absorption problem with these particular funds. The alternative would be to fund more bilateral projects, but this approach would be less cost-effective: administrative costs would be higher, it would require more personnel, and this would translate into less money available for operations and beneficiaries. The bilateral projects that Finland supports could not be evaluated due to time constraints, and given their geographical location it may be difficult and expensive to monitor them sufficiently, and with uncertain returns. This is why not all Finland's aid can be channeled bilaterally.

(d) Should the impact and results in Afghanistan be measured as in more traditional development context? What are the possibilities to work in fragile states situations? What is the best way for a country such as Finland to work in a fragile state situation?

It is difficult to measure the results of interventions to date in Afghanistan in traditional 'logframe' terms as inputs, outputs and outcomes. The assistance being provided to Afghanistan is over a longer term and supports a process rather than being project-driven. Outcomes, impact and other classical measurements can only be appreciated over time in many cases. For instance, as a project, LOTFA is a great success if measured only by classical indicators of inputs and outputs. However, desired outcomes cannot yet be assessed because the process of overall police reform will take many years to achieve – and reforms at the Ministry of Interior and strengthening of the justice sector are crucial adjuncts if performance improvements are to be achieved.

The evaluation concludes, based on the evidence it gathered and informants' views, that helping Afghanistan over the long-term is a process that will take time and money and progress will be measured in incremental successes. It is not a short-term project. In keeping with the needs of all fragile states, such a sustained and substantial international effort is needed to prevent them from

slipping back into destabilization, violence, conflict and a threat to global peace and security. There is also a moral imperative for providing an opportunity to nations whose citizens are mired in an unending cycle of poverty and violence, to climb out of this cycle. In the context of Afghanistan and at this point in time, more development support is needed, not less. According to one informant, the best way for Finland to make an impact is to pool all funding into one programme, but the evaluation does not agree. This would limit Finland's influence in the various donor policy-making fora.

(e) Is development aid the right instrument or should it be rather humanitarian aid and crisis management? Where are the interfaces between development assistance and other instruments?

The situation in Afghanistan has improved significantly since 2001 when the majority of external assistance was needed in the form of humanitarian aid. During the past six years progress has been made on the ground leading to a shift in focus to development aid, which the evaluation considers to be appropriate and a good indicator of progress. That said, humanitarian crises are never very far away in Afghanistan and all responsible donors need to retain emergency resources to respond should the need arise. The gap between relief, rehabilitation and development remains persistently wide in some sectors, specifically in the case of returning refugees and IDPs whose transitional needs are not always met. This specific group needs careful monitoring to ensure their inclusion in community development projects. UNHCR reports that some CDCs are now comprised specifically for returnees, which is a good sign that the interface between relief and development is improving. Even humanitarian organizations such as UNHCR and ECHO would advocate for more development to allow people to move out of the humanitarian phase. There is only so much that can be done with humanitarian assistance, evidenced not only in Afghanistan but in other fragile states.

(f) Should Afghanistan become a long-term development cooperation partner of Finland?

At this point it is not recommended that Afghanistan become a long-term cooperation partner: it is still in a state of conflict and weak governance precludes such a partnership at present.

(g) Should we focus more in the countryside – to be partner with the local communities?

Many actors have recognized that development aid in Afghanistan has been too Kabul-centric. The commonly held view is that the key to successful development and reconstruction will be through sub-national (provincial and district) level activities and based on its observations in the rural areas, the evaluation agrees. Finnish choices to fund NSP CDC's, MISFA as well as UNODC are contributing to the shift in emphasis from Kabul to district and community levels. The recent

developments on CDCs are putting more emphasis on them as entry points for development in the communities and according to majority of informants that is commonly held as the right way to proceed. Also the GoA is putting more emphasis on the sub-national governance as President Karzai has nominated an Independent Directorate for Local Governance directly under his office. At this point the evaluation believes that corrective action has been taken to shift development focus more to the rural areas and this is likely to be reinforced with the success of the NSP CDCs. The way to achieve sustainable success from NSP interventions so far is to continue to support them until the communities manage themselves to raise resources.

(b) Is the donor coordination working? Recommendations on how to go about the donor coordination?

There is insufficient coordination among donor agencies for really effective funding division of labour. One of the main problems is in persuading the major donors to share information and plan priorities in collaboration with other, smaller players. Such large institutional donors have tremendous pressure to disburse their funds within the allotted timeframe, which draws their time away from perceived second-priority coordination with others.

The coordination problem, however, is not only among the donors, but very much also in connection with the communication from the donors to the GoA. In order to improve the capacity of GoA and their aims towards aid effectiveness, there is a need to improve reporting on aid flows from the donors to the GoA. Ministry of Finance has been struggling with under-reporting of the donor funding, disparity between pledges and disbursements, late disbursing, etc. Donors should not only coordinate more closely among themselves but also revise their approach towards the government that they are supposed to be supporting. Donor coordination could be much more robust in advocating for politically difficult action to the Government: justice sector strengthening, security sector reform, the dismissal of corrupt officials at high levels. There needs to be more donor solidarity to achieve this, but it is not always easy when some of the larger donors do not agree and take unilateral action.

The donors also have a responsibility to help coordination at field level. Local officials do not yet have sufficient capacity to coordinate the activities of everyone in their sector, but this is a big need. For instance, the UN could do more, with the urging of donors, to coordinate all sectors, not just thematically, with the Government and have a simple 'who, what, where' spreadsheet that can be managed locally. It is not just at the central level where coordination is deficient.

(i) Why does it matter to give assistance to Afghanistan?

Because of its strategic importance to global peace and security, it is advisable that Afghanistan should continue to be the focus of stabilization and development for 'as long as it takes', in the words of key informants. The impact of this effort cannot be known until the long-term policies and efforts being pursued by the

international community take root, but given the risks of failure that would affect all donor countries, there is little other choice.

(j) What would happen if the donors would withdraw?

This is a difficult hypothetical question to answer. Afghanistan is far from achieving financial sustainability and the development of the country would not only freeze but go into reverse without external assistance. The deteriorating security situation is also an indication of the direction that the country would most likely take without continued support. The historical record in Afghanistan shows that all other options have been tested and have ultimately failed, and by this measure, the forecast does not seem too optimistic this time either. But it is the best chance we have right now to “get it right”. Getting it wrong means reverting to the previous state of human suffering, regional instability, leaving the country open again as a haven for terrorist activities and regional and global destabilisation. Aid to Afghanistan is not perfect but it has at least contained the chaotic fallout that grew during the late 1990s and culminated in 2001. Arguably, the focus on stability should now be directed to Pakistan, which is posing the same threat to regional and global security that Afghanistan did before intervention in late 2001. If donors – especially those trying to improve security within Afghanistan – were to withdraw, the region could become a much worse security risk than prior to that event. Most likely, development donors like Finland would have to withdraw their funding and presence in Afghanistan.

(k) How to channel the money so that it has an impact on the lives of ordinary people?

If the beneficiaries of the Finnish aid are divided into state and society, the division between the two is quite equal. If ARTF recurrent funding, LOFTA and PRT are considered to be state oriented and NSP, MISFA, MSI, UNODC, AIHRC, Local Cooperation Funds and NGO support more society oriented, the figures for 2007 are 4.1 M€ and 4.6 M€. This can be considered as an appropriate division taken into account the objectives of Finnish aid. As stated earlier, money channelled through the NSP and MISFA probably have the greatest impact on the lives of ordinary people, and the best way to alleviate poverty, but this is not sustainable if not accompanied with structural and institutional support.

ANNEX 4 FUNDING TABLE

Table A below presents the Finnish programme budget for the years 2001–2006

Table A – Finnish Assistance to Afghanistan 2001-2006 – € Million						
	2001	2002	2003	2004	2005	2006
The World Bank/ARTF						
ARTF		2,7	2,0	2,5	2,0	2,0
MISFA						
NSP						
The UN system						
UNAMA		0,2	0,1			
LOTFA			0,1	0,1	0,1	0,6
UNODC/UNDPC	0,505	0,1	0,3	0,4		1,935
UNEP		0,333	0,420		1,0	0,5
UNDP/AIAF	0,505	1,0				
UNDP/Election support			1,0	1,0	2,450	0,060
UNFPA			1,0			
Others						
AIHRC		0,330		1,103		0,9
MSI		0,500		0,351		0,4
Local Cooperation Support			0,46	0,603	0,604	0,279
ISAF Cimic projects		0,2	0,1	0,173	0,330	0,558
Civilian Crisis Management						
PRT Reconstruction projects					0,380	0,678
EUSR office HR advisor secondment			0,150	0,1	0,12	0,12
PRT Civilian component (salaries)				0,182	0,470	0,480
Humanitarian aid						
Humanitarian support				1,71 ⁴		
Humanitarian mine-clearing	0,505	1,0	1,0	1,0	1,0	0,9
UNHCR	1,346	2,7	1,0			
WFP	1,346	0,5				
UNICEF	0,841	0,8	0,4		0,3	0,4
Finnish Red Cross/ICRC	2,187	1,2	1,0			
IOM	0,252	1,0	0,3			
OCHA	0,168					

⁴ Including support to Finnish Red Cross, UNHCR, UNICEF, Finnish Church Aid

Finnish Church Aid	0,168	0,3	0,3			
NGO support	0,285		0,442	0,708	0,490	0,780
Total support	8,108	12,863	9,972	9,720	9,139	10,590

Table B presents the Finnish programme budget for the years 2007-2009

Table B - Finnish Assistance to Afghanistan 2007-2009 – € Million			
The World Bank/ARTF	2007	2008	2009
ARTF – untied	2	2,5	3,2
MISFA	1	1,4	1,9
NSP	1	1,1	1,3
The UN system			
LOTFA	1	1	1
UNODC	0,4	1	1
UNEP	0,5		
Others			
AIHRC	0,9	0,4	0,4
MSI	0,4	0,4	
Local Cooperation Support	0,4	0,4	0,4
Civilian Crisis Management			
PRT Reconstruction projects	0,5	0,5	0,5
EUSR office HR advisor secondment	0,12		
PRT Civilian component (salaries)	0,6	0,6	0,6
Humanitarian aid			
Humanitarian support	Based on needs assessment		
Humanitarian mine-clearing	0,9	0,6	0,6
UNHCR	0,4		
WFP	0,5		
UNICEF	0,4		
NGO support (existing decisions)	0,5	0,3	n/a
Total support	11,52	10,2	10,9

ANNEX 5 EVALUATION TEAM COMPOSITION

The evaluation was carried out by a consortium of Channel Research and Crisis Management Initiative with Channel leading. The lead contractor, Channel Research is a Consultancy Company based in Belgium and specialised in evaluations of humanitarian and development aid in conflict settings. The Crisis Management Initiative is a Finnish non-governmental organisation working for sustainable security. Its work covers thematic areas of conflict sensitivity, fragile states and coherence of international interventions.

The Team Leader: Ms. Anne Davies was responsible for federating the reports of each of the two other core consultants, and for the cogency and accuracy of the overall report, answerable to the client and the two consultancies. Ms Anne Davies has the necessary range of expertise to oversee the reports, and has a consistent track record of timely finalisation of reports.

Finnish Expert: Mr. Juba-Matti Seppänen was responsible for drafting a sub-report. Based on his national Finnish policy experience and knowledge of Afghanistan and authorities, he brought the necessary realism to the assessments, and knowledge of crisis management.

Local Expert: Ms. Hassina Sherjan: was responsible for organising the meetings in Afghanistan, providing background knowledge and a sound board for a reality check. Her knowledge and assessments ensured the necessary rigour in the handling of indicators to provide convincing evidence.

Project Manager: Ms. Annina Mattsson: supported the team in logistical terms at all times, and ensured that the inputs were timely and all sources were reachable and covered. Being a Finnish national herself she was able to read documents in all languages relevant to this assessment.

In addition the team were supported by a thorough quality assurance system. *Quality Assurance* was undertaken by Ms. Kristiina Rintakoski and Mr. Emery Brusset, who referred the process and the draft report to the ToR and evaluation standards, in particular fairness and accuracy. The Quality Assurances role was to review reports for consistency, clarity and responsiveness to the ToR.

All team members have relevant evaluation experience, and the core team is balanced in terms of gender and nationality. The core team is senior and has a wide geographical experience, with in depth knowledge of the main large emergency situations in Asia, Middle East, and all situations that prevail in Afghanistan.

REPORT 2002:6	Kansalaisjärjestöjen Kehyssopimusjärjestelmän arviointi ISBN 951-724-376-6, ISSN 1235-7618
REPORT 2002:5	Evaluation of the Bilateral Development Co-operation Programme between Kenya and Finland ISBN 951-724-373-1, ISSN 1235-7618
REPORT 2002:4	Evaluation of Bilateral Development Co-operation between Nicaragua and Finland ISBN 951-724-372-3, ISSN 1235-7618
REPORT 2002:3	Evaluation of the Bilateral Development Co-operation between Ethiopia and Finland ISBN 951-724-370-7, ISSN 1235-7618
REPORT 2002:2	Evaluation of the Bilateral Development Co-operation between Mozambique and Finland ISBN 951-724-368-5, ISSN 1235-7618
REPORT 2002:1	Evaluation of the Development Co-operation Programme between Nepal and Finland ISBN 951-724-368-5, ISSN 1235-7618
REPORT 2001:9	Evaluation of the Bilateral Development Co-operation between Finland and Zambia ISBN 951-724-361-8, ISSN 1235-7618
REPORT 2001:8	Evaluation of the Bilateral Development Co-operation between Vietnam and Finland ISBN 951-724-361-8, ISSN 1235-7618
REPORT 2001:7	Evaluation of Diesel Power Plants in Four Countries: Tanzania ISBN 951-724-356-1, ISSN 1235-7618
REPORT 2001:6	Evaluation of Diesel Power Plants in Four Countries: Peru ISBN 951-724-355-3, ISSN 1235-7618
REPORT 2001:5	Evaluation of Diesel Power Plants in Four Countries: Nepal ISBN 951-724-354-5, ISSN 1235-7618
REPORT 2001:4	Evaluation of Diesel Power Plants in Four Countries: Indonesia ISBN 951-724-353-7, ISSN 1235-7618
REPORT 2001:3	Evaluation of Diesel Power Plants in Four Countries: Summary ISBN 951-724-352-9, ISSN 1235-7618
REPORT 2001:2	Evaluation of the Development Co-operation Programme between Egypt and Finland ISBN 951-724-344-8, ISSN 1235-7618
REPORT 2001:1	Finland's Support to Water Supply and Sanitation 1968-2000. Evaluation of Sector Performance ISBN 951-724-343-X, ISSN 1235-7618
Blue Series 2000:2	Eight Development Credits for Zimbabwe in 1980-1991 ISBN 951-724-322-7, ISSN 1239-7997
Blue Series 2000:1	Evaluation of Consultant Trust Funds Affiliated with the International Financial Institutions ISBN 951-724-321-9, ISSN 1239-7997
REPORT 2000:1	Country Programming Process: The Namibian-Finnish Experience ISBN 951-724-306-5, ISSN 1235-7618
REPORT 1999:8	Evaluation of Finland's Support to the Asian Institute of Technology ISBN 951-724-295-6, ISSN 1235-7618
REPORT 1999:7	Thematic Evaluation on Environment and Development in Finnish Development Co-operation. Multilateral Development ISBN 951-724-243-3, ISSN 1235-7618
REPORT 1999:6	Thematic Evaluation on Environment and Development in Finnish Development Co-operation. Concessional Credits ISBN 951-724-242-5, ISSN 1235-76181-X
REPORT 1999:5	Thematic Evaluation on Environment and Development in Finnish Development Co-operation. Meteorology ISBN 951-724-241-7, ISSN 1235-76181-X

Evaluation report 2007:1
ISBN 978-951-724-634-7 (printed)
ISBN 978-951-724-635-4 (pdf)
ISSN 1235-7618

Ministry for Foreign Affairs of Finland
Department for Development Policy