

Revisiting the International Compact for Afghanistan

By Mark Sedra & Peter Middlebrook | November 2005

Introduction

The Bonn Agreement, signed on December 5, 2001, provided the road map for the transformation of the Afghan state, culminating in the September 18, 2005 legislative elections. The landmark polls, which proceeded largely peacefully, have elected an Afghan Parliament for the first time in more than three decades.¹ Although the Bonn political process has made great strides toward facilitating Afghanistan's transition to democracy, the costs and challenges associated with the reform agenda are immense and continue to spiral. With a narrow revenue base, Afghanistan will remain dependent on support from the international community for many years to come, not just to cover the capital costs associated with reconstruction and poverty reduction but also to underwrite core operating expenditures. Once funding for Coalition military operations is factored in, the cost of maintaining relative peace and stability in Afghanistan could exceed the \$16-18 billion per year currently being spent—a prohibitively high figure in light of creeping donor fatigue. With the security situation in the country still volatile, regional posturing intensifying, and the United States signaling that troop withdrawals are imminent, Afghanistan's transition remains fragile and uncertain. Senior Washington officials already quietly acknowledge that the reform process has failed to maintain the critical momentum that the Afghan government's landmark report, *Securing Afghanistan's Future: Accomplishments and the Strategic Path Forward*, appeared to generate when it was launched at the spring 2004 Berlin Donors Conference.

With the parliamentary elections marking an end to the Bonn political process, it is time to take stock of the process' achievements and to assess whether it has indeed provided a firm foundation for a sustainable and sovereign Afghan state.² It is also time to chart a new course for the next phase of Afghanistan's transition, through a post-Bonn compact. The political process that such a compact will set in motion, already dubbed in some quarters as the Kabul agenda, must feature an Afghan face and prioritize three overarching issues: (i) fostering good governance and enhancing the capacity of the state to deliver public goods, (ii) stimulating economic growth in the formal economy while limiting the space for illicit economic activity, and (iii) confronting Afghanistan's security dilemma through the revitalization and

refocusing of the security sector reform agenda. Addressing these issues will require both sustained international economic and military support and a renewed commitment by the Afghan government to pursue deep structural, public administration, and civil service reforms. Perhaps more than anything else, this Herculean effort will require time. State-building is a resource-, time-, and labor-intensive process in which Afghanistan is only at an intermediary stage.

National Assembly and Provincial Council Elections

The September 18, 2005 legislative elections marked a watershed in Afghanistan's recent history (see Box on page 2). Coupled with the successful



October 2004 presidential elections, the establishment of an elected lower house of Parliament (*Wolesi Jirga*) has seemingly signaled the return of civilian governance to Afghanistan after decades of conflict and authoritarian military rule. However, since many of the country's most powerful military commanders were able to circumvent the electoral law and compete and win Parliamentary seats in the elections either directly or through proxies, it cannot be said that Parliament will be wholly composed of civilians. Furthermore, the establishment of the legislative

branch will bring with it a whole new set of challenges, placing increasing demands and pressures on an already-weak central government. The election of Provincial Councils, which will facilitate the decentralization of certain powers and responsibilities, will also exert pressure on the executive to demonstrate provincial equity in the allocation of scarce national resources. Since the majority of development and operating funds are provided by external actors, this may be difficult.

The Afghan Parliamentary and Provincial Council Elections at a Glance

- *The Afghan parliamentary and provincial council elections employed the unusual Single Non-Transferable Vote (SNTV) system, a method only used in Jordan, Vanuatu, and the Pitcairn Islands. Under the SNTV system, candidates can register only as individuals in provincial constituencies, whose number of seats is determined by the size of the population. Afghan voters selected a single candidate from ballots that in some cases consisted of several pages. The candidates with the highest number of votes were allocated the available seats. For instance, in a province with eight seats, the eight candidates who received the most votes were elected. The system was chosen to discourage the formation of political parties, to which President Karzai and many other prominent Afghan political figures ascribe blame for the country's political and ethnic fragmentation over the past three decades.*
- *Votes were cast at over 26,240 polling stations operated by 160,000 election workers and overseen by 85,000 observers (500 of whom were international). There were approximately 5,800 candidates—2,707 for the lower house and 3,025 for the Provincial Councils. Roughly 6.8 million of Afghanistan's 12.4 million registered voters cast ballots in the elections, a 20% drop from the 2004 presidential elections. The 2005 elections cost a total of \$159 million, \$13 per eligible voter.*
- *The lower house of Parliament (the Wolesi Jirga or "house of the people") comprises 249 members, with 68 seats (2 from each province) reserved for women and 10 for the Kuchis (a nomadic group). Voters also cast ballots for Provincial Council representatives. A total of 3,025 candidates, including 247 women, vied for 420 seats on the 34 councils. An upper house of Parliament (the Meshrano Jirga or "house of elders") is appointed by the Provincial Councils, the district councils, and the President. One-third of the candidates will be chosen from the district councils for a four-year term, one-third from the Provincial Councils for a three-year term, and the remainder by the President for a five-year term. Although originally scheduled at the same time as the parliamentary and provincial council elections, the district council elections have been delayed indefinitely.*
- *The election was marred by a significant amount of fraud, exemplified by the quarantining of 680 polling stations (under 3% of the total across the country) and the dismissal of 50 election workers. Nonetheless, the irregularities were not deemed to be systematic or widespread, and, in the words of Richard Atwood, the Chief of Operations for the Joint Election Management Body, did "not affect the integrity of the elections."³*
- *The provisional election results have shown that former mujahidin commanders and jihadi fighters fared extremely well in the polls, assuring that they will have robust presence in the nascent assembly. According to the New York Times, "at least half of the 249-seat Wolesi Jirga, or lower house of Parliament, will be made up of religious figures or former fighters, including four former Taliban commanders."⁴ The first meeting of Parliament has been tentatively scheduled to take place in December 2005.*

Although the constitution was framed to create a powerful executive, the national assembly will provide an important check on executive power and can hold the President accountable for government policy on issues such as the national budget, economic reforms, and poverty reduction. Furthermore, issues such as national security, the presence of foreign troops on Afghan soil, and the privatization of state-owned enterprises will no longer be wholly determined by the international community. Making such decisions, the executive may find itself caught between the demands of a representative assembly and the divergent interests of its international partners.

Civilian oversight will have profound implications for the functioning of the state, the establishment of national development priorities, and the pace, shape, and sequencing of the ongoing reform program. Even though the assembly may be polarized along ethnic and political lines, its establishment will represent a major step forward in enhancing national ownership of the reconstruction and political process, as all documentation will have to be translated into both Dari and Pashto. Hitherto this has not been the case. Most important policy documents have been drafted in English, making them inaccessible both to the vast majority of the population and to a significant portion of President Karzai's Cabinet.

The new national assembly is constitutionally mandated to approve Cabinet appointments and the passage of laws. Parliamentary scrutiny of executive decisions and appointments is an integral aspect of the democratic process. However, considering that the lawmaking process is already laborious and that there is a high probability of a fragmented and polarized assembly, its formation could severely bog down government decision-making. Delays to important

reforms at such a critical juncture in Afghanistan's political and economic transition could be very costly and damaging. The government will be vulnerable to factional blocks in the assembly that could manipulate the legislative process to derail the reform effort.

Reflections on the Bonn Process

Circumspect observers of the December 2001 Bonn Conference would have scarcely believed that within four years the country would have held a largely peaceful presidential election that would see one candidate prevail with a clear majority of the vote; a con-

stitution promulgated, one of the most progressive in the Muslim world; and a complex legislative electoral process undertaken without major security incidents.

Media reports about Afghanistan continue to present the familiar narrative of a stable Kabul governed by a beleaguered central government encircled by a lawless periphery that is dominated by voracious warlords. This picture, perhaps accurate in 2001 and 2002, has given way to a more nuanced situation today. Through the imple-

mentation of the Bonn process and complex bargaining that reaches down to the district and village level, the Karzai government has been able to extend its authority to most areas of the country and to curtail the overbearing influence of warlords in national level politics. The *de facto* veto that prominent warlords seemingly held over national policy from 2001-03 has largely been removed.

This is not to say that the threat of warlordism has receded. Politics at the local level are still highly militarized and factionalized, and regional commanders remain the dominant presence in the political and economic life of villages and districts across the country. But the Bonn process, buttressed by

Media reports about Afghanistan continue to present the familiar narrative of a stable Kabul, governed by a beleaguered central government, encircled by a lawless periphery that is dominated by voracious warlords. This picture, perhaps accurate in 2001 and 2002, has given way to a more nuanced situation today.

international military and development assistance, has positioned the government to challenge these local power dynamics. As Francesc Vendrell, the Special Representative of the European Union, notes, “the authority of the central government of Karzai, which was reduced to Kabul at the beginning, has extended virtually everywhere, even if his commands are not always followed.”⁵

There is ample evidence of the achievements of Afghanistan’s reconstruction process. Over the past four years, 4 million Afghan refugees have repatriated from neighboring countries; 5 million children have returned to school, and 6,000 teachers have been trained; more than 60,000 former combatants have been demobilized; a new currency, the *Afghani*, was almost seamlessly introduced; and the economy grew by 28.6% in 2002-03, 15.7% in 2003-04, 7.5% in 2004-05 and is projected to grow at 8-9% over the coming decade. Yet, despite these advancements and the completion of the Bonn political process, poverty remains the norm and stability is elusive. The 2004 United Nations Development Program (UNDP) report for Afghanistan titled, *Security with a Human Face—Challenges and Responsibilities* illustrated the scale of the challenge that exists in the country. Afghanistan features some of the worst development indicators in the world, particularly in areas such as health, education, and per capita income, placing it at 173rd out of 178 nations on the UNDP Human Development Index.⁶

Persistent insecurity, weak governance, and endemic corruption have engendered growing frustration among the Afghan people. In large parts of the country, Afghans have yet to see a peace dividend. For many, the most noticeable change from the Taliban period has been an increasingly perilous security situation and stifling corruption. Despite the influx

of \$10 billion in aid over the past two years and the deployment of 20,000 Coalition and 11,000 International Security Assistance Force (ISAF) soldiers, Afghanistan’s national infrastructure (roads, electricity, and water)—vital for sustaining economic growth—is in disrepair, a stubborn Taliban-led insurgency refuses to abate, and warlords continue to rule mini-fiefdoms with relative impunity.

Corruption and inefficient governance have become particularly potent disenchantments for the Afghan population. In 2004, the President established an Anti-Corruption Office to tackle the problem, but it has achieved few tangible results. Certain areas of government continue to lack the institutional and human capacity to deliver basic services to the population, and the majority of public finances are channeled toward the development of ever more complex and expensive institutions, even as their overall functions remain largely uncharted. Compounding the problem posed by this capacity deficit and the government’s

weak fiscal position, chronically low civil service salaries (the average salary in the civil service is roughly \$40 per month) have spurred corruption and clientelism. Numerous high-ranking government officials, up to the level of Cabinet minister, have been implicated in criminal activities, most notably the drug trade.

Growing public resentment has been reflected in the editorial pages of Afghan newspapers. *Erada*, an independent Afghan publication, has tellingly complained that “the government is doing nothing” to combat the problem of corruption. It went on to warn, “If it does not attend to these problems, the people will no longer trust it.”⁷ The frustration of the Afghan people is palpable and, if not addressed, could erode confidence in the country’s democratic experiment. As the UN Special Representative of the

In large parts of the country, Afghans have yet to see a peace dividend. For many, the most noticeable change from the Taliban period has been an increasingly perilous security situation and stifling corruption.

Secretary-General in Afghanistan, Jean Arnault, has stated, “At the end of the day, many Afghans feel that the Bonn process has been disappointing.”⁸

The State of the Reconstruction Process

Although gains have undoubtedly been made in the area of reconstruction, major challenges still exist in extending the authority of the central government outside of Kabul, in maintaining high levels of economic growth to offset a continued reliance on the illicit economy, and in delivering basic services to the poor. The achievements of the process have been largely predicated on the availability of external financial assistance, much of which is likely to decrease over time. Paradoxically, the more successful Afghanistan is in dealing with security issues, the less international support it is likely to receive for poverty reduction. The fiscal situation of the Afghan government is a pivotal problem that will need to be addressed, since less than 10% of national budget resources are currently covered by domestic financing. The Ministry of Finance has recently approved new tax policy measures that will improve the government’s revenue position, but rising pressure to inflate wages in line with market wage comparators could negate any gains made in stabilizing the country’s fiscal base.

Government operating costs are set to increase rapidly in the coming years, particularly when expenditures associated with the Afghan National Army (ANA), Afghan National Police (ANP), the operation of the Parliament and Provincial Councils, and the slated salary increase for teachers and healthcare workers⁹ are fully incorporated into the budget. Only

a small percentage of all national budget resources are currently funded through domestic revenue, and the willingness of donors to continue high levels of subsidies is diminishing. Without significant annual increases in domestic revenue levels, contingent on continued reforms of the customs and taxation system, the Afghan state will likely remain on a fiscally unsustainable path for up to a decade.

Underpinning the Afghan state building project is the belief that national-level institutions are best placed to deliver basic public goods to the population. The ineluctable outgrowth of this notion has been a movement to centralize state authority and service delivery functions, a trend that runs contrary to traditions and norms of governance in Afghanistan, characterized by highly decentralized and fragmented power structures and the precedence of localized support networks. Consistent with this trend, the bulk of international and local resources have been employed to strengthen and underwrite the operating costs of national institutions, with funds channeled to sub-national administrative bodies only to cover fixed non-productive costs (primarily wages). This approach not only ignores historical precedent but also

the contemporary reality that many services are best delivered through local communities. Accordingly, there is an urgent need to enhance the capacity of local governance structures, both formal and informal, enabling them to partner with the central government in the delivery of services. Just as Parliament should scrutinize executive decisions, communities could enforce the accountability of local and provincial administration. However, with district elections

Underpinning the Afghan state building project is the belief that national-level institutions are best placed to deliver basic public goods to the population. The ineluctable outgrowth of this notion has been a movement to centralize state authority and service delivery functions, a trend that runs contrary to traditions and norms of governance in Afghanistan, characterized by highly decentralized and fragmented power structures and the precedence of localized support networks.

now off the immediate political agenda, the development of a workable, cost-effective, and output-oriented model of service delivery remains a distant objective. The mindset in Kabul is that centralization of state authority should precede any consideration of decentralization. Perhaps centralization and decentralization should be viewed as complementary and mutually inclusive rather than antithetical. Since there is no easy solution to this dilemma, the overall architecture of the Afghan state and the way that services are delivered remain either unresolved or uncharted.

The record of the Afghan economy over the past four years can be described as mixed. Inflation decreased from 53% to 16% from 2002-05, but the rate of economic growth displayed a downward trend falling from 28.6% in 2002-03 to 7.5% in 2004-05. Although the growth rate is expected to stabilize in the range of 8-9% over the coming decade, it is vital that the government determine future sources of non-illicit growth and invest accordingly. Without robust incentive-laden alternative livelihood and rural development programming for farmers, the criminalized economy—whose main industry is drugs—will

Afghanistan Macro Economic and Development Data

	1975	2002/2003	2003/2004	2004/2005	2005/2006	Neighbors
Afghanistan						
Level of Development					a/	b/
GDP (US\$ millions)	2,400	4,084	4,585	5,392	6,478	36,800
Real Growth (%)	3	28.6	15.7	7.5	12	8
Structure of the Economy						
Agriculture	51	53	59	66		..
Industry	16	25	22	9		..
Services	33	22	19	5		..
Other		3				..
Opium (% of total economy including Opium)		38.3	33.4	32.0		..
Public Finances						
Current Revenues (% Official GDP)	11.4	3.2	4.5	5	5.8	..
Core Expenditures (% GDP)		8.4	9.8	16.2	24.9	..
Fiscal Deficit (% GDP)		5.2	5.3	11.2	19.2	..
Prices						
Inflation (%)		22.2	4.9	9.4	7.5	..
Social Indicators						
Life Expectancy	39.4	43	43.2			66.3
Population	14	21.8	22.2	23.4	24.3	49.4
a/ IMF Staff Estimates						
b/ Simple Average of Country Statistics						

continue to provide the primary means of income enhancement. Since the formal taxable economy accounts for roughly 10% of all productivity, Afghanistan could easily slip into a low-growth-rate scenario that could further deprive the Afghan population of a peace dividend.

The distinction between opium GDP and non-opium GDP is somewhat artificial because the multiplier effect from growth in the illicit economy has a direct impact on the growth rate of the licit economy. This causal relationship was illustrated in Nangahar Province, where an estimated 70% reduction in opium production over the past year triggered a slump in household incomes that adversely impacted local economic growth, employment, and the rate of fixed capital formation. Given that foreign aid tends to be ineffective in creating and sustaining alternative livelihoods and that Afghanistan's nascent private sector is still incapable of offsetting revenue lost from the drug trade, poppy eradication efforts will invariably stimulate a decline in total per capita income.

Moreover, the opium trade is a major foreign currency earner, which helps to finance the current trade deficit, sitting at \$1.7 billion. In its enthusiasm to cripple Afghanistan's drug trade, the Afghan government and international community have overlooked the potential cost of success, notably the curtailment of growth in the licit economy (both formal and informal).

To address these problems, the government is developing an Afghan National Development Strategy (ANDS) focused on the attainment of broad-based growth as the key to curbing high rates of poverty. The ANDS will be a key driver of government policy, as it will likely be central to the current administration's economic manifesto and become the locus for

consensus-building with the new Parliament. For the ANDS to achieve its goals, it will need to tackle the central issue of how to enhance growth in the formal taxable economy as well as in the legal informal economy so the dividends of peace can be shared equitably by all citizens. Currently, no growth diagnostic has been conducted to inform areas of investment, so production sectors exhibiting potential comparative advantages in regional and world markets have not been identified. Improving the climate for investment is a prerequisite for economic growth and necessitates an increased focus on: (i) expanding security and stability, (ii) improving the regulatory framework, (iii) enhancing labor productivity, (iv) expanding access to productive infrastructure, (v) increasing access to commercial finance and insurance, and (vi) further rationalizing the taxation system.

Setting targets for an aggressive campaign against poverty, the Afghan government presented its development goals (based on the UN's Millennium Development Goals) during the UN World Summit held in New York from

September 14-16, 2005. Financing efforts to meet these targets remains wholly contingent on external support, the future of which appears increasingly uncertain. With ever more funds being sucked into security expenditures, any reduction in external assistance in the coming years will severely circumscribe the Afghan government's ability to meet these targets and set a base line for service delivery.

Governance

The 2004 presidential elections gave President Karzai a popular mandate to remake the government. During the interim and transitional administrations, Karzai had been under tremendous pressure to remove prominent warlords and other figures

In its enthusiasm to cripple Afghanistan's drug trade, the Afghan government and international community have overlooked the potential cost of success, notably the curtailment of growth in the licit economy (both formal and informal).

involved in the illicit economy or implicated in human rights abuses. He did not disappoint, selecting what most observers agreed to be a largely clean Cabinet. He also succeeded in co-opting Ismail Khan and Rashid Dostum, two of the country's most powerful warlords, coaxing them away from their regional strongholds through the offer of postings in the central government. Perhaps the most important change with the new Cabinet was the removal of Marshall Fahim as Defense Minister. In the eyes of many, Fahim had been one of the main impediments to reform in the defense sector and had surreptitiously obstructed the demilitarization process. The appointment of Rahim Wardak, a reform-minded professional soldier, opened the Defense Ministry to much-needed reforms and gave a boost to the demilitarization process.

Although Karzai's purge of the Cabinet was significant, many observers felt that it did not go far enough. The removal of Fahim and the co-option of Dostum and Ismail Khan confirmed in the minds of many that the regional commanders were "paper tigers" whom the government, with a robust electoral mandate and international military and political support, could sideline. Rather than antagonize Afghanistan's commanders, who continued to be heavily armed in spite of the UN-sponsored Disarmament, Demobilization, and Reintegration (DDR) program, Karzai retreated to a policy of accommodation that defined his leadership style during the interim and transitional administration periods. Karzai's unwillingness to further challenge the status quo stemmed in part from a lack of international support for this policy course. Without a green light from the United States, which would be required to leverage its political and military muscle

to back up the Kabul government, such an aggressive policy would be ill-advised.

The accommodationist approach, endorsed by the United States, is characterized by the formation and management of a complex network of relationships with commanders, tribal leaders, and other power brokers stretching down to the village level. Typifying this approach is the game of musical chairs played by the country's provincial governors in 2005. In July alone, four provincial governors who had earned the ire of both the public and the central government due to their inadequate performance were shifted to

the same post in other provinces rather than being removed. The pressing need to avoid alienating these power brokers and risking a violent reaction among their supporters appeared to supersede the imperative of good governance. It was persistent disagreements over the appointment of provincial governors that reportedly led to the resignation of Ali Jalali as Interior Minister shortly after the Parliamentary elections in September 2005. Jalali, a western-educated technocrat who had garnered the respect and support of the international

donor community due to his reformist approach, was allegedly at odds with President Karzai over his willingness to appoint factional commanders to key government posts. The resignation of Jalali could serve as a serious setback to efforts to modernize and professionalize the Interior Ministry and police service.

The accommodationist stance could also be detected in the process used to vet candidates for the parliamentary elections. Afghanistan's electoral law "prohibits anyone who commands or belongs to an unofficial military force or armed group from becoming a candidate."¹⁰ The independent Electoral Complaints

In July alone, four provincial governors who had earned the ire of both the public and the central government due to their inadequate performance were shifted to the same post in other provinces rather than being removed. The pressing need to avoid alienating these power brokers and risking a violent reaction among their supporters appeared to supersede the imperative of good governance.

Commission, formed to adjudicate all electoral complaints and challenges, had removed 45 candidates from the ballot in the run-up to the election, the majority due to their links with illegal armed groups.¹¹ Yet according to one estimate by officials organizing the election, 207 of the remaining 5,800 candidates maintained private armies.¹² The Afghan Independent Human Rights Commission, an independent body established by the Bonn Agreement and later reaffirmed by the Constitution to monitor the observation of human rights and promote their protection, goes a step further, asserting that more than 80% of the winning candidates in the provinces and 60% in Kabul maintained ties to armed groups.¹³

Numerous Afghan and international observers have deplored the decision to allow these armed candidates to stand in the elections, referring to it as another missed opportunity to remove the rule of the gun from Afghan politics. These concerns were echoed in a public survey conducted in the run-up to the legislative elections by the Kabul-based Human Rights Research and Advocacy Consortium (HRRAC), a group of 15 Afghan and international nongovernmental organizations working in the country. Survey respondents were deeply concerned that local commanders, warlords, and war criminals would become ensconced in the Parliament. However, President Karzai argued that allowing a wide range of candidates to stand in the election, including those accused of human rights abuses, would help advance national reconciliation.¹⁴ This *laissez-faire* approach to the vetting process was also driven by concerns that armed power brokers barred from the elections would oppose the central government, undermining the fragile network of disparate groups that Karzai had meticulously constructed.

The elections could serve to legitimize numerous actors who have demonstrated an interest in maintaining the weakness of the state. With Parliament mandated to review all legislation and Cabinet appointments, they will be endowed with significant authority to “impose their own interpretation of the laws and ... promote impunity,” in the words of Ahmed Nader Nadery, a member of the Afghan Independent Human Rights Commission.¹⁵ In the long-run, this could have the effect of eroding public confidence in the government and the wider democratic process.

Building Government Capacity and Combating Corruption

It is widely accepted that corruption, clientelism, and an excessive reliance on systems of patronage will remain a major challenge in Afghanistan for years to come. Current civil service salary levels are out of sync with the average cost of living in the country, creating an incentive for corruption

and criminality. Corruption is even more acute outside of Kabul in the provincial and district administrations, where oversight and fiduciary management controls are less stringent. The United Nations Office on Drugs and Crime has noted that corruption, principally at the level of the provincial governors, has been one of the principal impediments to counter-narcotics activities. It has called for the adoption of a “zero tolerance” policy toward all corrupt public officials and military commanders implicated in the trade. The Government has been receptive to such calls for action. President Karzai, his chief economic adviser, and the Minister of Finance are strong advocates of clamping down on corruption, and the Civil Service Law clearly articulates a code of conduct for public employees. However, deeds as well as words will be needed to confront this debilitating problem. The government must demonstrate the political will

President Karzai argued that allowing a wide range of candidates to stand in the election, including those accused of human rights abuses, would help advance national reconciliation.

to undertake a purge of corrupt officials, regardless of their status or political clout. Otherwise the international donors underwriting 50% of the operating budget may seek to apply more rigorous safeguards to their aid disbursements, further slowing the pace of reconstruction, or even reconsider their aid commitments altogether.

Extending the Authority of the Government

The election of the Provincial Councils and the prioritization of efforts to meet national poverty reduction targets have spurred initiatives to enhance the effectiveness of government outside Kabul. In a move to strengthen provincial administration, the central government recently began overhauling personnel structures in several provincial governors' offices, replacing existing staff who lack educational and professional credentials with more highly qualified university graduates selected through a system of merit-based recruitment. Applying these reforms to all Afghan provinces should enhance the efficacy and accountability of subnational administration and facilitate a strong partnership with the elected Provincial Councils. Since all administrative structures of the state fall under the jurisdiction of the Ministry of Interior, advancing reforms within the ministry will be a precondition for effective administrative reforms at the subnational level.

Given the government's continuing fiscal constraints, some observers have expressed concern that growing investment in provincial-level capacity has drawn vital funding away from the task of developing community-level governance structures. Many feel that investment in local governance may have even greater utility in expanding public service delivery than the implementation of reforms at the provincial level. It is not clear what institutional framework offers the optimal route for service delivery in the

Afghan context; however, it is imperative that any emergent framework is bureaucratically lean and output-focused, ensuring that the bulk of funding is expended on basic services rather than the mechanisms established to deliver them.

The process of electing Provincial Councils is, in effect, a process of political decentralization. A new law will be passed in the coming months that will provide the councils with a clear—though narrow—set of responsibilities regarding reconstruction and development. Since the councils are responsible for electing one-third of the upper house of Parliament, there is likely to be mounting political pressure on the central government to allocate resources to inte-

grated provincial development programs. However, since the central government has little discretion over the allocation of external resources, devising a system to equitably fund provincial programs will remain problematic.

Security

Insecurity remains one of the foremost challenges to

Afghanistan's democratic transition. As the UN Secretary-General's August 2005 *Report on the Situation in Afghanistan and its Implications for International Peace and Security* stated, "Afghanistan today is suffering from a level of insecurity, especially in the south and parts of the east, not seen since the departure of the Taliban."¹⁶ At the core of Afghanistan's security problem is the Taliban-led insurgency. In the past two years the Afghan government and the U.S.-led Coalition have on numerous occasions declared the demise of the Taliban movement. The premature nature of these claims was made evident in the first nine months of 2005, which saw a major upswing in insurgent activity. The violence left more than 1,200 dead, including 69 American soldiers, making it the deadliest year for the Coalition since 2001.

Insecurity remains one of the foremost challenges to Afghanistan's democratic transition. At the core of Afghanistan's security problem is the Taliban-led insurgency.

The Taliban has evolved considerably since its removal from power in the fall of 2001. Deterred from operating in large numbers due to superior Coalition technology and airpower, the insurgents function in small cadres under a loose command structure. Taliban operations primarily focus on soft targets such as aid workers, government employees, and Afghan citizens deemed to be collaborating with the government. For example, in June 2005 the Taliban began targeting mullahs that endorsed the Karzai government, killing six by the time of the parliamentary elections. The Taliban has become younger, recruiting men typically in the 18-25 age range from *madrassas* straddling the border with Pakistan. Profits from its involvement in the drug trade coupled with increased support from benefactors overseas (including al-Qaida) have enabled the Taliban to purchase more sophisticated weaponry, including Russian and Chinese surface-to-air missiles. The downing of an MH-47 helicopter carrying 16 U.S. personnel in June 2005 demonstrated the operational advantage that such weapons have conferred on the Taliban.¹⁷

One of the more disturbing aspects of the recent upsurge of violence has been the apparent importation of tactics utilized by insurgents battling U.S. forces in Iraq. These include an increased use of improvised explosive devices (most often employed as roadside bombs), beheadings of U.S. collaborators, occasional kidnappings of Western aid workers, and (rarely) suicide attacks. Although much of this could likely be attributed to imitation, a perverse manifestation of the “CNN effect,” there has been speculation that contacts have been opened between the Afghan and Iraqi insurgents, perhaps facilitated by al-Qaida.

The Taliban operates openly in Pakistani territory, greatly complicating Afghan government and Coalition efforts to combat the group. In Pakistani cities like Quetta, the Taliban recruits soldiers and raises funds. There is strong evidence that elements of the Pakistani Directorate for Inter-Services Intelligence, the military, and even local police have provided clandestine assistance to the Taliban.¹⁸ In a recent interview with the British Broadcasting Corporation (BBC), President Karzai called for a re-examination of current Coalition strategies for fighting terrorism. In a veiled reference to Pakistan, he declared “we have to go to the sources of it ... where terrorists are trained.”¹⁹

Profits from its involvement in the drug trade coupled with increased support from benefactors overseas (including al-Qaida) have enabled the Taliban to purchase more sophisticated weaponry, including Russian and Chinese surface-to-air missiles.

In September 2005, to deflect growing criticism from the Afghan government and the United States over continuing Taliban cross-border incursions, the Pakistani government deployed an additional 9,500 troops to the border region, bringing the total number of Pakistani troops in the area to 80,000. Although these troops have proven adept at combating al-Qaida and non-Pakistani militants (Chechens, Arabs,

and Central Asians), they have been less effective in containing the Taliban. A Pashtun movement, the Taliban shares ethnicity with the majority of the population in the region and have received moral support from the provincial administration of Pakistan’s Northwest Frontier Province, led by a coalition of Islamist parties. Thus, the Pakistani government is eager to avoid arousing a backlash among the majority Pashtun population by escalating operations against the Taliban.

In a recent meeting with Secretary of State Condoleezza Rice, Pakistani President Pervez Musharraf proposed the construction of a 1,500-mile fence along the 2,400-mile Afghanistan-Pakistan border. Despite U.S. backing for the venture, the Afghan

government has dismissed the plan as unfeasible. Afghan officials have noted that the exact position of the border would have to be set before a fence could even be contemplated. The position of the Durand Line, the border demarcation established by a treaty between the British Empire and Afghanistan in 1893, remains hotly disputed. Analysts also point to the prohibitive cost of such a fence, which, if it is to be effective, would require sophisticated sensors, electronic barriers, and an army of border guards.²⁰ It is clear that Pakistan is playing a double game in Afghanistan. On one hand it has sought to curry favor with the United States by dealing a blow to al-Qaida and presenting the appearance of a tough stance on the Taliban. On the other, it has preserved its ties with the Taliban, to ensure that in the event of a U.S. withdrawal it could aggressively pursue its strategic interests in Afghanistan.

The Afghan government has also explored nonviolent avenues to diffuse the Taliban-led insurgency. In 2005, it launched an amnesty program to promote reconciliation with moderate Taliban members. In return for a promise to renounce violence and pledge support for the Kabul government, Taliban fighters are offered amnesty and, in some cases, support in finding government positions. The results of the program have been disappointing. Only 300 Taliban members, including fewer than 50 senior figures, have accepted the offer. Among the more prominent are Ahmed Mutawakil, the former Taliban Foreign Minister; Haji Abdul Samat Khaksar, the movement's one-time intelligence chief; and a handful of former Taliban military commanders, each of which ran as candidates in the Parliamentary elections. Although their engagement in the electoral process could be construed as a powerful sign of progress in Afghanistan's path toward democratization, it could also serve to further polarize what will already be a

highly fractured national assembly. The Taliban no longer has the capacity to overthrow the central government unilaterally, but it can destabilize it in key areas of the country, notably the Pashtun belt in the Southeast, preventing the delivery of public goods and serving as a lightning rod for anti-government sentiment. By maintaining a low-level insurgency, the Taliban could pose a serious long-term threat to the government, especially in the event of a significant withdrawal of international forces.

Like the Taliban, Afghanistan's warlords lack the ability to unilaterally unseat the central government, but they pose a potent threat to the Afghan polity nonetheless. The country's most powerful warlords, those who challenged the authority of the central government at will during the Interim and Transitional government periods, have largely been contained. However, they continue to exert tremendous influence over their core constituencies and can still operate with impunity. Perhaps

By maintaining a low-level insurgency, the Taliban could pose a serious long-term threat to the government, especially in the event of a significant withdrawal of international forces.

more dangerous than the top-level warlords are the sub-commanders and mid-tier warlords who command militias and run mini-fiefdoms at the local level. They are numerous, difficult to control, and deeply enmeshed in the criminalized economy, whether it be the trafficking of drugs or the smuggling of timber, petroleum, and other commodities.

The UN-supported Disarmament, Demobilization, and Reintegration program, dubbed the Afghan New Beginnings Program (ANBP), was intended to decommission the militias that form the backbone of the warlords' power base. Specifically, the ANBP targeted the Afghan Military Force (AMF), the assemblage of militias that previously formed the Northern Alliance. The program succeeded in demobilizing 62,044 factional militiamen, but it failed to dismantle the patronage-based relationships and clientelistic networks through which commanders can mobilize

their soldiers. The lack of viable long-term employment options, which would allow former combatants to irrevocably break with military life, has also enabled commanders to maintain a strong grip on their fighters. Warlords that have been granted positions in the police or local administration have exploited their offices to insulate their militias, providing, for instance, jobs in various branches of the police.

Despite the ANBP's collection of 36,571 small arms and light weapons and the success of a heavy weapons cantonment program that has gathered 11,004 heavy weapons (including tanks, artillery, and rocket launchers), the country remains one of the largest open warehouses of small arms in the world. Considering that estimates of the number of small arms and light weapons in the country range from 1.5 million to 10 million, it is clear that more attention will have to be paid to removing the tools of violence from Afghan society. The presence of arms is not the cause of conflict in Afghanistan but it is a driver of cycles of violence.

The ANBP only targeted the formal militias of the Afghan Military Force, ignoring the plethora of illegal militias operating across the country. It estimates that there are approximately 1,870 illegally armed groups in the country—including tribal militias, community defense forces, warlord militias, and criminal gangs—comprising 129,000 militiamen. With the completion of the disarmament and demobilization phase of the ANBP in July 2005, the government launched a Disbandment of Illegal Armed Groups (DIAG) program. This initiative has eschewed the individualized incentives of the formal DDR program, utilizing instead community development projects to entice groups to voluntarily disarm and armed force to compel recalcitrant groups to

cooperate. In light of the fact that many of the groups targeted are alienated from the communities in which they reside and are deeply immersed in the profitable illicit economy, it is unclear whether the promise of community development projects will be sufficient to secure their cooperation. It has also yet to be seen whether the government has the capacity and political will to forcibly disarm uncooperative groups.

Security Sector Reform

Afghanistan's security sector reform (SSR) process is viewed widely as the lynchpin for the country's state-building project since it confers on the government one of the core prerequisites for statehood that it currently lacks—a monopoly on the use of legitimate force. The process has five pillars, each supported by a lead donor country: military reform (United States); police reform (Germany); judicial reform (Italy); the disarmament, demobilization, and reintegration of former combatants (Japan); and counter-narcotics

Afghanistan's security sector reform (SSR) process is viewed widely as the lynchpin for the country's state-building project since it confers on the government one of the core prerequisites for statehood that it currently lacks—a monopoly on the use of legitimate force.

(United Kingdom). The achievements of the process—roughly 28,000 Afghan National Army soldiers and 50,000 police trained, 600 judges trained, over 62,000 soldiers demobilized, and a 21% reduction in poppy cultivation area—convey the image of success. However, these figures obscure the real picture of a process that was slow to begin and continues to stumble. For instance, although the area under poppy cultivation was significantly reduced during 2005; a 22% increase in crop productivity narrowed the decline in opium output from the previous year to just 100 metric tons.²¹ In assessing the record of the reform process, it is useful to consider four key questions:

- 1. Has the process enhanced the professionalism of the security forces?**

As this question suggests, one of the principal goals of the SSR process is to instill the security forces with greater professionalism, enhancing their operational effectiveness and ensuring that they conform to democratic principles such as accountability, transparency, and respect for human rights. The record of the process in these areas is mixed. The Afghan National Army (ANA) has performed well in its initial operations, showing itself to be a competent and disciplined force. However, it still lacks the capability to undertake complex missions without the support of the Coalition. The Afghan National Police (ANP) service continues to be poorly trained, predominantly illiterate, endemically corrupt, and highly factionalized. Three-fourths of the police that received training either graduated from a two-week Transition Integration Program or a four-week training course for illiterate recruits, both offering instruction only on basic policing skills. The insufficiency of police salaries, among other factors, has provided a powerful incentive for corruption, and many police at the local level have maintained allegiance to regional military commanders or factional groupings.

2. Are the reforms economically sustainable?

The ultimate goal of the SSR process is to create self-sufficient institutions, not external dependencies. To do so, it is critical to consider the long-term sustainability of initiatives in every facet of the reform process, something that has largely not occurred in Afghanistan. With the Afghan government's revenue-generating capacity highly constrained, it is unlikely that Kabul will be able to maintain the current rate of expenditures on its nascent security forces without continued international support. For example, recurrent costs for the ANA in fiscal year 2004-05 totaled \$171 million. This was equivalent to roughly 25% of

the Afghan government's entire operating budget and approximately 63% of the country's domestic revenues for that period. The United States currently covers much of the recurrent costs of the ANA, but the Afghan government will soon be expected to assume this burden. Even if increases in revenues exceed expectations in the coming years, the cost of the force, as it is currently structured, will still be prohibitive.

3. Has SSR succeeded in entrenching the rule of law?

As Paddy Ashdown, the High Representative in Bosnia-Herzegovina has stated, in post-conflict societies, "If the rule of law is not established very swiftly, it does not take long before criminality infects every corner of its host, siphoning off the funds for reconstruction, obstructing the process of stabilization, and corrupting every attempt to create decent government and a healthy civil society."²² The reestablishment of security, the stimulation of economic activity, and the consolidation of democracy are dependent on the presence of a cohesive and coherent legal framework.

Accordingly, the imperative of entrenching the rule of law must be undertaken at the very outset of the state-building project. At the core of this endeavor is the rehabilitation of the judicial system.

In the wake of its protracted civil war, Afghanistan's judicial system was in disarray, its infrastructure in a decrepit state, trained jurists in short supply, and the body of law incoherent, outmoded, and poorly understood. Despite the urgent need and great importance of reforms, the process to remake the judiciary received scant attention and resources and was advanced in a deliberate and disjointed fashion. With the security situation still precarious,

"If the rule of law is not established very swiftly, it does not take long before criminality infects every corner of its host, siphoning off the funds for reconstruction, obstructing the process of stabilization, and corrupting every attempt to create decent government and a healthy civil society."

international attention coalesced around the security forces and the goal of enhancing their operational effectiveness. Exemplifying the disproportionately low level of investment made in judicial reform as compared to the “hard security” pillars of the SSR process, only 2-4% of the donor aid allocated to the sector has been channeled to the judicial institutions. This trend has begun to change over the past year due to the growing realization that the slow pace of judicial reform has begun to hinder and even negate gains in the other pillars of the process. For instance, the police cannot function without a legal framework to guide them. They cannot arrest a prominent drug trafficker if there is no court to try them nor jail to hold them.

4. Has the security situation improved?

Four years following the fall of the Taliban, the security situation continues to be volatile. The overlapping threats of the Taliban-led insurgency, warlordism, an emergent drug mafia, and general criminality have created a difficult environment with which to advance the state-building project. Moreover, the lack of a robust countrywide peace enforcement mission has placed a great deal of pressure on the SSR process to address adverse security conditions. It stimulated an acceleration of the process and the prioritization of security force “train and equip” programs over initiatives to rehabilitate the legal system, establish democratic oversight structures, and advance administrative reforms in the line security ministries. The concomitant imbalance in the process, characterized by a legal vacuum and bureaucratic dysfunction in a cyclical fashion has limited the effectiveness of the security forces. Although the newly trained security forces have made some strides over the past four years, they have not been able to position themselves as a credible deterrent to spoiler groups and warlords, nor mitigate wider

conditions of insecurity. With the government unable to provide a security guarantee to its citizens, they have looked to other sources for protection, whether warlords or factional militias, reinforcing Afghanistan’s security *problematique*.

It would be premature to deliver a final verdict on Afghanistan’s SSR process; however, an interim analysis based on the four questions or measures of effectiveness outlined above, shows that in many ways it has not lived up to the principles of the SSR model, nor laid a solid foundation for a democratically accountable, rights-respecting, and self-sufficient sector. The success of security sector reform in any context is dependent on the presence of a number of specific conditions, notably a minimum degree of security and capacity, which are absent in Afghanistan. Inadequate stakeholder coordination and a lack of strategic planning have hindered efforts to overcome these imposing obstacles.

NATO & the Coalition

The presence of international forces in Afghanistan over the past four years has been a vital deterrent to serious challenges to the viability of the Karzai regime. Although the extent of the military commitment—20,000 Coalition troops and an 11,000-troop NATO-led International Security Assistance Force (ISAF) contingent—has been insufficient to eliminate the many threats facing the country, it has nevertheless prevented major challenges to the viability of the state and has served as a signal of the international community’s commitment to the country. This commitment could be brought into question in the coming months as the United States considers drawing down its forces, easing the manpower burden on the Pentagon caused by the continuing conflict in Iraq. U.S. officials have indicated that troop levels could be reduced by as much as 20%, or 4,000 personnel, by spring 2006; however, it is likely that this

The presence of international forces in Afghanistan over the past four years has been a vital deterrent to serious challenges to the viability of the Karzai regime ... it has ... served as a signal of the international community’s commitment to the country.

drawdown will exceed that number by the end of that year. The withdrawal is ostensibly contingent on new commitments by NATO to offset the loss of U.S. soldiers. Currently, NATO forces have command over the Northern and Western sectors of the country and are scheduled to assume control of the more-volatile Southern sector in February 2006, leaving the United States in command of the Eastern sector.

While Coalition forces are engaged in counter-insurgency and counter-terrorist operations under the auspices of Operation Enduring Freedom, NATO forces are mandated to provide a security buffer in Kabul and advance reconstruction in all the provinces through small 80-250 person civil-military units called Provincial Reconstruction Teams. At a recent meeting of NATO defense ministers in Berlin, Secretary of Defense Donald Rumsfeld recommended the merging of the NATO and Coalition commands, enabling NATO to engage in counter-terrorist operations. The notion was resoundingly rejected by America's European allies, particularly France and Germany, who felt that the consolidation of the two missions would, in the words of German Defense Minister Peter Struck, "make the situation for our soldiers doubly dangerous and worsen the current climate."²³ However, NATO Secretary-General Jaap de Hoop Scheffer did acknowledge that "greater synergy between the missions" was needed.²⁴ What is clear is that the U.S. withdrawal raises serious questions about the international military commitment to the country, despite NATO affirmations concerning the durability of its presence. Considering the long delays and political vicissitudes that surrounded NATO's deployment of the Provincial Reconstruction Teams it appears doubtful that NATO will muster the necessary

political will to deploy the troops and resources necessary to fill the gap left by departing U.S. forces.

Charting a New Course

The Emergence of a Kabul Agenda

With the parliamentary elections marking the final chapter of the Bonn process, a planning vacuum has emerged. To fill this vacuum, preliminary arrangements have begun for a conference intended to chart a new 3- to 5-year roadmap for Afghanistan, replete

with a set of broadly accepted objectives and benchmarks. Considering that one of the main criticisms leveled against the Bonn process (particularly by populist Afghan leaders intent on exploiting anti-foreigner sentiment) has centered on the inadequacy of local ownership over its direction, it is critical that the Afghans set the agenda for the post-Bonn compact. The process must be broadly consultative of all the relevant Afghan and international stakeholders. It is particular-

It is particularly important that regional states are engaged, for just as the interference of Afghanistan's neighbors has been one of the principal drivers of conflict in the country, their support for the reconstruction process will be a precondition for its success.

ly important that regional states are engaged, for just as the interference of Afghanistan's neighbors has been one of the principal drivers of conflict in the country, their support for the reconstruction process will be a precondition for its success. The Kabul agenda should adopt a wide scope, moving beyond the political dimension into areas of security, development, counternarcotics, and the rule of law. This roadmap must encapsulate a comprehensive and realistic timetable for implementation, tied to renewed commitments from the international community to see it through to its conclusion.

Establishing a Functioning Legislative Branch of Government

For the national assembly to fulfill its constitutional mandate to provide a check on executive power and pass legislation aimed at enhancing economic growth, building peace, and combating poverty, substantial external assistance will be required to mitigate the risk that it become instrumentalized by factional groups to advance their particularistic interests. The election of the parliament represents only the first step in the creation of a functioning legislative branch. Parliamentary systems and protocols have to be developed and legislators must be endowed with the necessary resources and expertise to fulfill their expected roles.

A two-year UN Development Programme (UNDP) project, titled the Support to the Establishment of the Afghan Legislature (SEAL) project, was founded to build Afghan legislative capacity. Launched in February 2005, the \$15.5 million project has already established a parliamentary secretariat intended to support the activities of the newly elected parliamentarians. The program will help set up the assembly and provide logistical and financial support during its first year of operation; provide training for parliamentarians and their staff; offer ongoing technical support; and engage in public information and outreach activities. It is critical that this program be accorded the necessary resources and support to achieve its goals, as the only sure safeguard that the Parliament will not be paralyzed or hijacked by self-interested parties is to imbue it with a solid institutional foundation.

Advancing the Afghan National Development Strategy

The Afghan National Development Strategy (ANDS), a landmark document being crafted by a government-led oversight committee in cooperation with the senior economic adviser to the president, will be the first government strategy document to be presented to the new Afghan Parliament. The strategy will assist the government to assert greater ownership over the development process and focus it on raising

the standard of living of the country's most impoverished citizens. Although there has been significant economic growth over the past four years, it has been largely uneven, benefiting a narrow stratum of elites rather than the majority of Afghans, who are still struggling below the poverty line. The ANDS will endeavor to eliminate this disparity, ensuring more equitable distribution of economic gains. But unless the international

community fully endorses the strategy, realigning their assistance to reflect its priorities and objectives, its impact will be negligible.

Stimulating Private Sector Development

Although there is consensus on the principle that the state should be the enabler rather than the provider of economic growth, numerous constraints to private sector development must be overcome if it is to be realized. The plethora of private sector operators hiding behind the not-for-profit law has meant that illegitimate nongovernmental organizations (NGOs), more so than the state, have been responsible for crowding out the private sector. It has also had the effect of undermining the standing and tarnishing the reputation of legitimate national and international NGOs. To address the problem, the status of many existing NGOs is being reviewed by the

Although there has been significant economic growth over the past four years, it has been largely uneven, benefiting a narrow stratum of elites rather than the majority of Afghans, who are still struggling below the poverty line.

Ministry of Economy to determine if reclassifications are in order. Of the roughly 2,000 NGOs currently registered, the majority are likely to be reclassified as for-profit organizations. The adoption of an “NGO Code of Conduct” by the NGO community, a form of self-regulation, is intended to prevent the exploitation of the non-profit status in the future and allay government and public concerns over NGO handling of reconstruction funds.

However, the manipulation of the not-for-profit law and fraudulent claims of NGO status represent only one of many obstacles to the growth of the private sector. In spite of major reforms aimed at rationalizing the registration of profit-making institutions, companies still cannot use capital assets as collateral to underwrite investment finance, and commercial banks do little more than provide a channel for aid agency finance. Newly established businesses complain that the lack of access to electricity, land, insurance, and financial services coupled with the prevalence of corruption, anti-competitive behavior, and unevenly applied taxation has hindered their development and expansion. It has also blunted competitiveness in the sector and circumscribed the provision of basic commodities and services. Structured procurement systems established around competitive international bidding have also denied Afghan and regional companies the level playing field they need to compete against larger European and U.S. firms.

The lack of a rational and coherent legal and regulatory framework is also a major impediment to investment and the formation of a viable formal economy. Renewed emphasis must be placed on reinvigorating the flagging judicial reform process in order to create a regulatory environment that encourages rather than stifles legal economic activity. More investment in trade and transit-related infrastructure

and greater security for fixed assets will similarly be vital to achieving higher levels of private sector investment and growth. Addressing the constraints faced by the private sector—and thus enabling it to stimulate increases in economic growth, employment, and tax revenues for the state—will pay dividends for both citizens and government in the long term.

Enhancing Government Competence

The chronic lack of Afghan professionals with experience in public office has hindered efforts to reform the civil service. Through the ANDS, the govern-

ment is embarking on a program to simplify the administrative and civil service reform process so as to rapidly build core capabilities throughout the government. Enhancing civil service capacity and professionalism, particularly at the provincial and district levels of administration, will require a combination of better pay, the re-grading of positions, the enactment of merit-based recruitment, the provision of training in

core areas of expertise, and improvements to basic infrastructure and equipment, such as the establishment of a countrywide communications system. A high level of capacity has been developed in the “second civil service,” the locally engaged staff of the international donor and NGO community. Greater emphasis must be placed on transferring such skills to the Afghan government, endowing it with the means to assert its sovereignty through the efficient delivery of public services. Enhancing the governance capacity at all administrative levels is the key to transforming Afghanistan from an international protectorate into a stable and self-sufficient state and should be prioritized by the international community in the years ahead.

Enhancing the governance capacity at all administrative levels is the key to transforming Afghanistan from an international protectorate into a stable and self-sufficient state and should be prioritized by the international community in the years ahead.

International Security Support

The viability of the Afghan government continues to depend on the presence of foreign troops. They have provided the crucial political space for the Bonn process to move forward and will similarly be needed to insulate the new Kabul agenda. Canadian Army Major General Andrew Leslie, a former deputy commander of ISAF, has aptly noted that due to the fragility of the security and political situation in Afghanistan, an international troop presence will be required for 10-20 years.²⁵

With the prospect of significant U.S. troop withdrawals looming, it is vital that the United States and its NATO partners reach a consensus on a long-term framework to provide security support to Afghanistan. This accord must resolve the debate over the future of the dual NATO and Coalition command structure and must settle the nagging issue of national caveats. Currently, individual NATO countries operating in Afghanistan ascribe unique mandates and rules of engagement to their forces, undermining the operational effectiveness and strategic cohesiveness of NATO forces. A robust NATO-led military commitment to Afghanistan is needed not only to insulate the government from the threat posed by spoiler groups and factional militias, but to mentor the Afghan security forces. Perhaps most importantly, such a commitment will symbolize to the Afghan people and their neighbors that the international community remains devoted to the country's reconstruction.

Advancing Security Sector Reform

One of the main priorities of the post-Bonn era will be to jump-start the security sector reform process. The Kabul agenda must seek to restore the holistic

character of the process, eroded by problems of stakeholder coordination and the absence of an overarching strategic plan. Any putative plan for Afghanistan's SSR process should include the following elements:

First, it must concentrate on rejuvenating Afghanistan's judicial system. A consensus must be reached among all the main stakeholders of the judicial reform process on the nature and direction of reforms. For this renewed effort to succeed, it must be accompanied by greater international investment.

Second, the momentum of the counternarcotics campaign must be maintained. The 21% drop in poppy cultivation in 2005 was an important achievement for the Afghan government and international community, but if current levels of support are not maintained it could prove to be hollow. Without the continued expansion of effective alternative livelihood and rural development programs to lure farmers away from poppy, and the steady progression of law enforcement

capability to deter cultivation and trafficking, the drug trade will continue to flourish.

Third, it is important to maintain attention on the demilitarization process. There has been a tendency since the completion of the disarmament and demobilization phases of the Afghan New Beginnings Program to categorize the process as a success. This is premature. The real test of any demilitarization program is reintegration; that is, ensuring that excombatants fully immerse themselves into the civilian economy and do not fall back into previous patterns of mobilization. With the unemployment rate hovering in the vicinity of 30% and the economy still sluggish, the sustainability of this transition to civilian life remains uncertain. It is also important that the international community fully support the nascent

Without the continued expansion of effective alternative livelihood and rural development programs to lure farmers away from poppy, and the steady progression of law enforcement capability to deter cultivation and trafficking, the drug trade will continue to flourish.

Disbandment of Illegal Armed Groups (DIAG) program. This initiative faces an even larger and more complex challenge than the ANBP, but it is integral to the goals of emasculating the country's warlords, curtailing illicit economic activity, lowering rates of violent crime, and removing the rule of the gun from Afghan society.

Fourth, sustainability must be endorsed as a core overriding principle guiding reforms. This will ensure that when the international community inevitably disengages from Afghanistan that the security institutions will not collapse under the weight of fiscal pressures, notably the wage bill.

Fifth, the Afghan government must assume greater control over the design and implementation of the reform process. New importance must be ascribed to bodies such as the Security Sector Reform Coordination Committee and the SSR Steering Groups both to ensure Afghan ownership of the process and to stimulate greater cross-sectoral coordination.

Sixth, donors must maintain current levels of assistance to the Afghan security institutions and enhance support to judicial reform over the next five years. For instance the government lacks the fiscal resources to cover the recurrent expenditures of the Ministries of Interior and Defense, a situation that will persist for several years to come. Mounting donor reticence to provide direct budgetary support to line security Ministries must be overcome until domestic revenue generating capacity is significantly expanded.

Finally, efforts to enhance government and civil society oversight of the security sector must be redoubled. The constitution features detailed provisions for legislative scrutiny of security policy. With the lower branch of Parliament elected, it is important to prepare the assembly to fulfill this role through the creation of parliamentary oversight committees. Also, civil society bodies such as local NGOs and the

media should be encouraged to engage security issues and hold the government accountable on its policies. This should be paralleled by public awareness and outreach efforts to inform the population of the role and function of the security sector in a democratic polity. In a country where the security services have routinely violated the rights of the citizenry such confidence-building measures are particularly important.

Conclusion

Afghanistan has made remarkable progress in the four years that have elapsed since the fall of the Taliban. The September 18, 2005 parliamentary elections represented another important signpost on the country's path to democracy. Although down significantly from the 2004 presidential elections, voter turnout still compared favorably with other transition countries, and the polling proceeded with few

violent incidents. This success provides further evidence of the steady maturation of a nascent democratic political culture in Afghanistan. While this milestone should be celebrated, we must be mindful that Afghanistan's political transition is far from complete, and the gains achieved could easily be reversed. As President Karzai stated in a speech in Herat in the days leading up to the election: "There's so much more work to be done ... Afghanistan is still not able to stand on its own feet."²⁶

The Afghan government is dependent on international military and economic assistance and will remain so for a decade or more. It is critical that the international community not view the conclusion of the Bonn political process as a time to disengage from Afghanistan. State-building is intrinsically a long-term process, especially in a country emerging from a protracted civil war. In such a context, commitments should be measured in decades not years. It is vital that the international community recognize

It is critical that the international community not view the conclusion of the Bonn political process as a time to disengage from Afghanistan.

this fact and commit to maintaining current troop and aid levels.

When Afghan and international stakeholders meet in early 2006 to devise a new reform blueprint to succeed the Bonn Agreement, four particular challenges should receive the bulk of international attention and form the foundation for a post-Bonn compact. Foremost among these is the question of how to combat a burgeoning illicit economy that has encouraged corruption, given rise to a drug mafia, propagated insecurity, and undermined the growth of the legal economy. Untangling this Gordian knot requires above all, the vigilant implementation of the eight pillar counternarcotics strategy. The efficacy of the strategy will largely be dictated by the ability of the Afghan government and its international partners to achieve an optimum balance between the coercive elements of the process, intended to deter cultivation and trafficking, and its incentive structures, geared to encourage and facilitate the voluntary compliance of farmers with anti-drug statutes. Growth in the legal economy is also a key to undercutting the illicit economy. Stimulating licit growth requires an economic diagnostic that will identify priority areas for investment in the Afghan economy, enabling the targeted development and expansion of sectors that demonstrate comparative advantage and a potential to meet existing and future market demands. Getting the investment climate right will be the key to revitalizing the Afghan economy.

The second challenge involves enhancing government competency, reducing corruption and clientelism, and facilitating the efficient delivery of public goods to the population. Meeting this challenge requires a systematic review of the structure and

formal mandates of central, provincial, and district administration in regard to service delivery.

Third, renewed emphasis must be placed on resolving Afghanistan's security dilemma. This requires the establishment of a long-term framework for international military support and the acceleration and reorientation of reforms in the security sector.

Finally, the challenge of fiscal sustainability for the entire state-building project must be addressed. To date, the design and implementation of institutional reforms has characteristically been driven by the availability of external resources rather than by considerations of Afghanistan's ability to sustain them. The direction of future reforms should be contingent on their viability in the Afghan political, social, and economic context.

Underlying all recommended policy options is the need to establish clear Afghan ownership of the reconstruction process.

Though the support of the international community will be a vital enabler of reconstruction, it is the Afghan government and people that must be the agents of change.

Following the 2004 presidential elections, President Karzai took bold steps to exorcize the culture of warlordism from national politics, removing a number of powerful warlords from his Cabinet. However, many Afghans and international observers were disappointed that this hard line was not extended to regional commanders and corrupt officials who continue to hold positions in the government at the national, provincial, and district levels. To irrevocably remove the rule of the gun from Afghan society, thereby reaffirming public trust in the democratic process, it is necessary to break with this policy of accommodation and challenge the status quo. The Kabul government

Underlying all recommended policy options is the need to establish clear Afghan ownership of the reconstruction process. Though the support of the international community will be a vital enabler of reconstruction, it is the Afghan government and people that must be the agents of change.

must crack down on corruption and remove figures that are involved in or condone it, must dismiss officials known to have links to armed groups or the drug trade, must bring to justice human rights abusers past and present, and must build bridges across Afghanistan's ethnic and political divides. To compromise or equivocate on these imperatives could imperil the laudable achievements made to date in the country's state-building project.

Mark Sedra is a research associate at the Bonn International Center for Conversion (BICC). His research focuses on security issues in post-conflict societies. He was also the 2004-05 Cadieux-Léger Fellow at the Policy Research Division of Foreign Affairs Canada. In 2003 he served as the security sector chapter manager for the Afghan government report titled, Securing Afghanistan's Future: Accomplishments and the Strategic Path Forward, presented at the spring 2004 Berlin Donors Conference.

Dr. Peter Middlebrook is an independent consultant who has been working in Afghanistan since early 2002. He was the central coordinator of the Securing Afghanistan's Future: Accomplishments and the Strategic Path Forward exercise, and his work addresses issues of political economy and state-building. He holds a doctorate in poverty reduction and public sector management from the University of Durham (UK) and has worked on poverty and political economy issues in Afghanistan, Ethiopia, Somalia, India, Sudan, Malawi, and Nepal.

Both authors are regular contributors to Foreign Policy In Focus (www.fpiif.org).

END NOTES

- ¹ Parliamentary elections were last held in Afghanistan in 1965 and 1969 during the reign of King Zahir Shah. His government was overthrown in a coup in 1973.
- ² The Bonn Agreement was established in December 2001 to “end the tragic conflict in Afghanistan and promote national reconciliation, lasting peace, stability, and respect for human rights in the country” (*Bonn Agreement*, preamble).
- ³ *Agence France-Presse*, “First Results Finalized after Afghanistan Vote, More Protests,” October 16, 2005.
- ⁴ Carlotta Gall, “Islamists and Mujahideen Score Victory in Afghan Vote,” *New York Times*, October 23, 2005.
- ⁵ Rachel Morarjee, “Karzai Faces Uphill Battle to Tame Afghan Parliament,” *Agence France-Presse*, September 14, 2005.
- ⁶ United Nations Development Program (UNDP), National Human Development Report 2004: Security with a Human Face—Challenges and Responsibilities (Kabul: UNDP).
- ⁷ *Erada*, “Highway Robbery,” appeared in *Afghan Press Monitor*, No. 141, Institute for War and Peace Reporting (IWPR), August 26, 2005.
- ⁸ Rachel Morarjee, “AFP Interview: UN Warns Afghan Democracy Imperiled by Poor Government,” *Agence France-Presse*, September 15, 2005.
- ⁹ The bulk of the salaries for teachers and healthcare workers are currently provided through donor and NGO salary top ups.
- ¹⁰ Electoral Law, Art. 15, no. 3.
- ¹¹ Rachel Morarjee, “Karzai Faces Uphill Battle to Tame Afghan Parliament,” *Agence France-Presse*, September 14, 2005.
- ¹² *The Economist*, “A Glass Half Full—An Opportunity Wasted,” September 15, 2005.
- ¹³ *Integrated Regional Information Network* (IRIN), “Rights Body Warns of Warlords’ Success in Elections,” October 18, 2005.
- ¹⁴ *Reuters*, “Karzai Defends Afghan Poll Stance as Healing Bid,” September 13, 2005.
- ¹⁵ Daniel Cooney, “Fears of a Resurgence of Warlords Plague Afghan Elections,” *Associated Press*, September 12, 2005.
- ¹⁶ United Nations, *Report of the Secretary-General on the Situation in Afghanistan and its Implications for International Peace and Security*, S/2005/525, August 12, 2005, p. 14.
- ¹⁷ Syed Saleem Shahzad, “The Taliban’s Battle Over the Ballot,” *Asia Times Online*, September 10, 2005.
- ¹⁸ David Rohde and Carlotta Gall, “In a Corner of Pakistan a Debate Rages: Are Terrorist Camps Still Functioning?” *New York Times*, August 28, 2005.
- ¹⁹ *Reuters*, “Karzai Defends Afghan Poll Stance as Healing Bid,” September 13, 2005.
- ²⁰ *Agence France-Presse*, “Will Pakistan Really Fence Off Afghan Border?” September 14, 2005.
- ²¹ United Nations Office on Drugs and Crime (UNODC), *The Opium Situation in Afghanistan as of August 29, 2005*, Kabul: UNODC, August 2005.
- ²² Paddy Ashdown, “International Humanitarian Law, Justice and Reconciliation in a Changing World,” Speech for the Eighth Hauser Lecture on International Humanitarian Law, New York, March 3, 2004.
- ²³ Eric Schmitt, “U.S. Plans Troop Reduction in Afghanistan by Spring,” *New York Times*, September 13, 2005.
- ²⁴ *Associated Press*, “NATO Allies Reject Afghanistan Suggestion,” September 14, 2005.
- ²⁵ Joshua Kucera, “Counter-Insurgency in Afghanistan-Paving the Way to Peace,” *Jane’s Defense Weekly*, December 15, 2004.
- ²⁶ Amir Shah, “Afghans Urged to Back Honest Candidates,” *Associated Press*, September 13, 2005.

FOR MORE INFORMATION FROM FOREIGN POLICY IN FOCUS:

Afghanistan: Democracy Before Peace?

By Mark Sedra (September 2004)

<http://www.fpif.org/papers/2004afghandem.html>

Afghanistan's Problematic Path to Peace: Lessons in State Building in the Post-September 11 Era

By Mark Sedra & Peter Middlebrook (March 2004)

<http://www.fpif.org/papers/2004afgh-stbuild.html>

Are the Taliban Really "Gone"?

By Mark Sedra (March 2004)

<http://www.fpif.org/papers/2004taliban.html>

Afghanistan: In Search of Security

By Mark Sedra (October 2003)

<http://www.fpif.org/papers/afghanrecon2003.html>

The Forgotten War Shows No Sign of Abating

By Mark Sedra (April 2003)

<http://www.fpif.org/papers/afghan2003.html>

The "Day After" in Iraq: Lessons from Afghanistan

By Mark Sedra (March 2003)

<http://www.fpif.org/papers/iraqrebuild2003.html>

Afghanistan: Between War and Reconstruction: Where Do We Go From Here?

By Mark Sedra (March 2003)

<http://www.fpif.org/papers/03afghan/index.html>

The Cost of Complacency: Afghanistan's Faltering Peacebuilding Process

By Mark Sedra (March 2003)

<http://www.fpif.org/outside/commentary/2003/0303afghanrebuild.html>

Afghanistan: It Is Time for a Change in the Nation-Building Strategy

By Mark Sedra (November 2002)

<http://www.fpif.org/outside/commentary/2002/0211afghanistan.html>

Afghanistan: Donor Inaction and Ineffectiveness

By Mark Sedra (October 2002)

<http://www.fpif.org/outside/commentary/2002/0210afghanistanaid.html>

Published by Foreign Policy In Focus (FPiF), a joint project of the International Relations Center (IRC, online at www.irc-online.org) and the Institute for Policy Studies (IPS, online at www.ips-dc.org). ©2005. All rights reserved.

Foreign Policy In Focus

"A Think Tank Without Walls"

Established in 1996, Foreign Policy In Focus is a network of policy analysts, advocates, and activists committed to "making the United States a more responsible global leader and global partner." For more information, visit www.fpif.org.

Recommended citation:

Mark Sedra & Peter Middlebrook, "Beyond Bonn: Revisioning the International Compact for Afghanistan," (Silver City, NM & Washington, DC: Foreign Policy In Focus, November 2005).

Web location:

<http://www.fpif.org/fpifxt/2912>

Production Information:

Writers: Mark Sedra & Peter Middlebrook

Editor: John Gershman, IRC

Layout: Chellee Chase-Saiz, IRC

