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House of COMMONS

MINUTES OF EVIDENCE

TAKEN BEFORE

INTERNATIONAL DEVELOPMENT COMMITTEE

development assistance in insecure environments: afghanistan

THURSDAY 15 NOVEMBER 2007

MR DAVID MANSFIELD

MS ELIZABETH WINTER, MR MUDASSER HUSSEIN SIDDIQUI

and MR DAVID PAGE

Evidence heard in Public Questions 52 - 119

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Oral Evidence

Taken before the International Development Committee

on Thursday 15 November 2007

Members present

Malcolm Bruce, in the Chair

Hugh Bayley

Richard Burden

James Duddridge

Ann McKechnin

Sir Robert Smith

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Witness: **Mr David Mansfield**, Independent Consultant, gave evidence.

**Q52 Chairman:** Mr Mansfield, good morning and thank you very much for coming to give evidence to our inquiry on Afghanistan. For the record, I should say that recently the Committee spent a week in Afghanistan. We were based in and around Kabul but Members of the Committee split up and some visited Helmand and some visited Mazar-e Sharif in Balkh in the north. Therefore, we have some perspective. I do not suggest that a week gives us total knowledge and understanding of a hugely complicated situation, but at least we feel we have some exposure to a variety of the issues. Obviously, you do not spend much time in Afghanistan before the issue of poppy production and narcotics - opium, heroin and so forth - comes up. By way of starting the discussion, perhaps you could comment on the effectiveness of the control of poppy. What seems to happen is that you hear sweeping statements that poppy production has been eliminated or cut back here or there, but when you look across the piece it goes up and clearly it is concentrated in some parts of the country and diminishes in others. We heard some explanations for that while we were there. Perhaps it would be helpful to know how you see the wide variation in poppy production which increases in some parts of the country and decreases in others. I half-expect what the answer would be, but it would be helpful to have your take on why that happens.

Mr Mansfield: Thank you for the invitation to speak. I do not want to give the usual explanation of how complex this is in some ways, but regional context is very important within Afghanistan. In the past 10 years I have spent a lot of time doing field work in Afghanistan and looking at why there are changes in poppy cultivation in different areas. In the past three years I have looked particularly at Nangarhar in the east, Ghowr province just north of Helmand and I have also gone into Badakhshan. I have spent a lot of time looking at the very specific circumstances of those areas. A colleague of mine for AREU has also been looking at Balkh. For instance, in an area like Nangarhar in 2005 there was a very strong effort to reduce poppy cultivation. They had 28,000 hectares in Nangarhar in 2004; by 2005 it had reduced to 1,200 hectares. One had a big political push to reduce poppy cultivation but it was on top of economic changes against poppy. For instance, wheat prices had increased quite significantly in Nangarhar during the winter of 2004/05. Regardless of the returns on wheat, it does not have to compete with poppy. People become concerned about food security and so they have to balance their livelihood strategies. If there is concern about accessing wheat because prices are rising or because there are controls in Pakistan about wheat smuggling into Afghanistan people start to think. It is not a question of whether it is competitive; they need to grow some wheat to feed themselves and their livestock. Therefore, they expand wheat cultivation and reduce poppy. That process was already at stake. In 2004 because of disease there was also a poor poppy yield in Nangarhar and prices fell. Wheat prices rose and there was concern over access. Poppy prices fell and there were problems over yield. On top of that there was a big political push to say "You will not grow poppy". There was a concerted effort to go out into the districts, learn from the way the Taliban ban was implemented, press people not to grow poppy and promise development assistance. I have been looking at the consequence of this over a two or three-year period. The consequence was to create a quite significant income deficit not just amongst poppy farmers but others. If you reduce poppy cultivation by 96 per cent,

as happened in Nangarhar that year - it is happening in Balkh at the moment - you end up impacting not only on the poppy farmer himself but there is a multiplier effect across the economy. Businesses systematically reduced their wholesale and profit, the numbers they employed and the wage labour rates they paid. There were similar falls in wage labour rates in the construction industry. That created economic pressure which subsequently meant a shift in the political dynamic. We predicted that in Nangarhar in December 2006. It went from 28,000 hectares to 1,200 hectares and then to 4,800 hectares. It is now back to 18,500 hectares because of the sheer economic pressure on households which face an income deficit. In Badakhshan in the north east we have seen another shift in the dynamics in relation to the balanced livelihood strategy that people pursue. They balance their cash needs with food security and issues around their livestock which needs fodder and wheat straw. We saw the price of poppy fall again and wage labour rates increased significantly. Poppy is an incredibly labour-intensive crop. The net returns on poppy were decidedly unattractive even compared with wheat to some extent but particularly in relation to things like improved onion or potato. Again, the Government came in and pushed down on poppy cultivation. People are already producing less. They press harder, essentially expending a degree of political capital to make themselves look a bit better; they can attribute the reduction to government effort rather than shifts in the economy in the way that livelihoods are working. In Balkh there is a big push by Governor Atta. I can commend the work of Adam Pain of AREU who has done a lot of work on this and looked at the deals struck between Governor Atta and various stakeholders in the drugs and non-drugs business to press down on poppy cultivation. There is a big question over whether that will be sustained. You will have seen and heard a number of times how there appears to be an increase in cannabis cultivation. That is in the nature of substitution to reduce the winter opium crop and increasing the summer cannabis crop. There is a question of how that will be sustained and how it is perceived by some. If we look at poppies as a low-risk crop in a high-risk environment, I do not think we have seen Helmand as being as high risk as it is today. In the late 1990s I used to wander round Kajaki and Musa Qala in Helmand province talking to opium traders to understand more about the farm gate opium trade. Today in Helmand whilst there is enormous agricultural potential in some areas, particularly the canal-irrigated lands, you could grow onions and a whole range of different legal crops that potentially could bring in more money, especially through inter-cropping, than poppy because they are less labour-intensive crops. You would not have to hire labour. But insecurity is such that poppy is essentially your best option. If I grow onions I have to take them to the market and in doing so I may have to go through a number of checkpoints. In doing so I will have to pay backsheesh to the ANP, militia or whoever it might be. By the time I get to the market I am uncompetitive at best; at worst I can suffer physical injury. It is far better to grow a crop where the trade comes to you; it arrives at your farm gate and buys from you. They inherit the transaction and transportation costs. If there is a degree of insecurity and you have to leave the house you can take with you a few kilograms of opium; you cannot carry a bag of onions. This is a liquid asset. Therefore, in the context of Helmand for me it is a rational choice in a highly insecure environment. I do not hold with the idea that farmers in Helmand opt to grow poppy because it provides a high income. There is some element of that but they have a potential in Helmand but cannot realise it due to the insecurity.

**Q53 Chairman:** Referring to Balkh, we had a meeting with Governor Atta who said that he had made the province poppy-free. The chairman of his district council said that poppy production had gone up until that council got stuck in, so there was a little argument about who had made Balkh poppy-free. You do not sound very optimistic that it will remain poppy-free even under the auspices of a "strong" governor like Governor Atta.

Mr Mansfield: We have seen it before, if I can put it like that. In 1995 we saw Haji Kadir reduce poppy cultivation in Nangarhar by 50 per cent; we even saw Sher Mohammad Akhondzada reduce poppy in Helmand in 2003 by 50 per cent. We saw Haji Din Mohammad, the governor, do it in Nangarhar in 2005. Some of us talk of Balkh as being the new black or new fashion. Nangarhar illustrates how the economic consequences shift the political dynamic. Once you have a critical mass of the population suffering a degree of economic crisis, which is exactly what we saw in Nangarhar, the governors become understandably a bit more reluctant to enforce a ban that makes them unpopular with the people. The political context shifts. If the price increases we also see a similar phenomenon. These kinds of sustained reductions even with "strong" leadership are quite difficult. No matter how strong the leadership we are talking about armed populations. There are rivals who are more than happy to marginalise the leadership. In Nangarhar we saw a reduction, but in some areas around the provincial centre there was a very interesting process in which people made the transition from an "illegal" to a legal livelihood. They expanded their horticultural crops; they sent their sons to the bazaar or into Pakistan to find work. Those areas did quite well around the provincial centre of Jalalabad, but beyond that people replaced their poppy crop purely with wheat which is almost a shallow crop. You put it in and walk away; it is not labour-intensive and you hope to get a crop. Essentially, they relied on off-farm and non-farm income. A lot of Nangarharis went to Balkh and played a role in the increasing cultivation in Balkh in 2005 because they were perceived to have particular skills. They get a premium rate as itinerant harvesters. Therefore, a process of change took place in those areas which was not sustainable. Essentially, they could not grow enough wheat as a surplus to sell; they needed non-farm and off-farm income. They did that for a while but it had its limits and wage labour rates were going down. Therefore, where you see poppy replaced by wheat be concerned that it is not a sustainable shift; where you see poppy replaced by high value horticultural crops and non-farm income opportunities you see a genuine process of transition taking place. You have to look at the qualitative nature of the change, not just the reduction in cultivation. Too often we focus purely on hectareage or eradication rather than what is filling the gap.

**Q54 Sir Robert Smith:** You have dealt with all the economic factors. I picked up a lot of local addiction to the poppy, especially among children, in processing it and handling it. Is any element of the cultivation of poppy dictated just by the growing problem of addiction amongst the local population?

Mr Mansfield: There seems to be a growing problem of drug use within Afghanistan. You see many surveys but how accurate they are I do not know. Certainly, when you do field work people will discuss the issue of opium use and

pharmaceutical use. There is a whole range of different products. In many ways we should not focus on opium when it comes to demand issues. Some very good work is done in Afghanistan on this. You can buy a month's worth of Valium for \$1 in Kabul. People use a whole range of different products of which opium might be one. In some communities particularly in the Khwahan in Badakhshan there are drug use problems. I am sure that colleagues who know Badakhshan better than I in terms of those kinds of areas can comment. There is also a definite element of local demand that fuels this trend, but fundamentally it is about addressing your economic needs.

**Q55 Ann McKechin:** What are your views on the Afghan national drugs control strategy and where you think it is placed or viewed by the major donors? Why is there currently such a difference of opinion between, say, the European donors on the one hand and the US on the other who still seem to be married to the idea that crop eradication is the first priority? What is your view on the strategy? Is the UK Government right in trying to align its policies with that strategy?

Mr Mansfield: I suppose one of the questions is whether the national drug control strategy is a strategy, but it contains a lot of the right policy elements for me in terms of international experience. I have been involved in various aspects of it over the past five or six years. It contains elements to do with eradication only where viable alternatives exist, no conditionality, ie making development assistance contingent on reductions in poppy cultivation, which has proven not to work. As to how eradication might be done, typically it is manual with no use of spraying et cetera. I think it contains many of the important ingredients in relation to international experience on drugs policy in terms of supply reduction. As to whether its sequences and prioritises the assistance required, clearly that is not within the programme. There are issues around the mechanisms by which line ministries will implement it. It is all very vague on that kind of thing and that is why there has been an attempt to do these implementation plans with which I am a bit unfamiliar these days. The strategy itself contains the right policy elements. There is constant discussion about those. The more the figures go up the more eradication comes to the fore. At a certain level you can see the arguments on eradication that are presented. You look at the experience in Colombia. I have had these discussions time and time again. If people grow more opium poppy you just destroy more. I do not understand the logic of it. To some degree this is a faith-based issue. If people grow poppy it is perceived as illegal. The farmers are perceived to be making more money than non-poppy farmers. If you look at the latest UN ODC survey and the kind of analysis it presents that is exactly the argument that is made. Therefore, if they are wealthy and grow poppy and it is illegal and you destroy it as a consequence because of their wealth they should be able to pick up an alternative; they can become second-hand car dealers or who knows what. Reality is very different from this. Often the figures that are presented on the drugs issue are quite problematic. The idea that poppy farmers in Helmand are rich rather than potentially wealthy fuels this discussion. The whole understanding of why people grow opium poppy in the context of Afghanistan today informs your policy response and view on that strategy. There are differing views about the understanding of the causal factors and drivers of poppy cultivation in Afghanistan today and those are fuelled by a lot of the numbers and some quite problematic methodologies that generate them.

**Q56 Ann McKechin:** I take it from what you have said that you do not think crop eradication should be used as a technique unless there are alternative livelihoods, but there are some suggestions that focusing on alternative livelihoods only in the area of opium production could act as an incentive to people who are currently producing legal crops to move into illegal production so they benefit from alternative livelihood schemes. Do you think there is there any validity in that criticism?

Mr Mansfield: In many ways I think they are two separate arguments. In relation to eradication, we have seen that experience not only in Afghanistan but other countries where you destroy the crop, provide some alternative and create an economic and political crisis. In Thailand in the 1970s there was heavy emphasis on eradication and it ended up pushing people into the Thai communist party. We have Colombia, Afghanistan et cetera. But I do not think that means that you do development only in poppy-growing areas; not at all. You need the right balance. You can see some of the arguments. I have heard Afghan ministers say - I have to agree - there is a danger that if you do work only in Helmand, Nangarhar et cetera and not in Ghowr and other marginal players in poppy cultivation you create the wrong motives. Some of these areas have fewer security problems, less criminality and few problems of poppy cultivation. Neglect them at your peril. There is an argument for containment, making sure these areas do not feel neglected. I confess that I have not come across many farmers in the field who say they are growing poppy to attract development assistance because, quite frankly, they do not believe it will come anyway. Therefore, it is not realistic that they would waste valuable resources - land, labour, water et cetera - purely to attract development assistance in which often they have little confidence. I tend to hear that argument from the malik or head of a village or a governor with a bit more political savvy. You go back to the issue of what is happening in Balkh and Nangarhar. We already see statements from Governor Atta, as we did from Haji Din Mohammad and Sher Mohammad Akhondzada, saying that they have not received a dime. They have reduced poppy but where is the development assistance? Potentially, this opens the door to them saying they have done their bit but we have not done ours. They cannot control it and people will have to return to poppy. In many ways the governor does very well because he is seen to be a good citizen for reducing poppy. Therefore, he gains from the national and international community for doing that and if development assistance comes he argues that he provided that assistance; he negotiated with the international community and the government and he is therefore seen as a benevolent leader. If development assistance does not come he can say that people should feel free; if they have to grow poppy, so be it.

**Q57 Chairman:** There is a slight problem in that there is a difference of view as to what development assistance is. We had exactly that discussion with Governor Atta. I believe that the week before the head of DFID who had been reconnoitring our visit got the rough end of Governor Atta's tongue before he understood that the department was putting 80 per cent of its money into the Government of Afghanistan which was spending money in Balkh province and therefore aid money was arriving but it was not perceived as such. He was looking at things that he controlled as

opposed to things that the Government of Afghanistan controlled.

Mr Mansfield: If you will forgive me, there is also an issue about the label "alternative livelihoods" which I find singularly unhelpful.

Chairman: We shall come to that.

**Q58 Hugh Bayley:** I want to turn to the Counter-Narcotics Trust Fund. Why has it been so slow disbursing funds? If you were running it what would you do to get some wind in its sails?

Mr Mansfield: I feel a little outside my comfort zone on the CNTF; I have not poured over it in great detail. I have seen a version of a very interesting review that has been made of it. One of the fundamental issues has been vision and ownership of it. Some people, particularly the former minister of the Ministry of Counter-Narcotics, saw it as almost a competitor of ARTF and that it would have \$1 billion in it in due course. I believe that to some extent INDP also viewed it in that sense, whilst others saw it as catalytic funding. Why would you need to compete with ARTF? This is the Counter-Narcotics Trust Fund and the "CN" is the value-added aspect of it. Therefore, what would you be funding from that in relation to delivering on the vision of drugs as a cost-cutting issue across the whole of the Afghan national development strategy? The former minister saw it as a way of having money where he could almost become a proxy implementer of development programmes. That was never how others saw it, particularly on the UK side. You do not want to set up parallel systems where MRRD and the Ministry of Agriculture are doing livelihoods programmes in non-poppy-growing areas and MCN through the trust fund is implementing them in poppy-growing areas. That was not the idea here. This is about national programming. I thought that these were meant to be elements that would make, say, a national priority programme more CN-focused. National priority programmes can contribute to reductions in poppy cultivation, but there are things that you might be able to do to increase the CN outcome in terms of where the assistance is going, how it is targeted and who gains from that assistance, be it irrigation, roads or whatever it might be, also bringing together the national priority programmes so you create development synergies. The CNTF should have been part of the process of assisting NPPs to be more CN-focused; maybe it could fill in strategic gaps, or maybe you had an area where you had irrigation, ag-extension but no micro-finance. Therefore, plug in sectoral gaps through NGOs and others who are flexible and can work in the field. Do that diagnostic and say, "Look, we are seeing a reduction in poppy but there is a gap. People are being marginalised and there is a danger that poppy may increase over time if we do not address that gap." You could be constantly doing a diagnostic on the ground as to what is missing in relation to sectors and technical assistance to make development programmes more CN-focused. I think that should have been its vision, but it became \$80 million, or whatever it is - I do not even know - to fund greenhouses in Nangarhar at \$2,000 a shot, or mushrooms. All of these have validity, but where is the CN value-added? If you can justify that and ground it in terms of how the programme will assist the transition from poppy cultivation dependency to a reduction in poppy then it is fine, but I think a lot of that context was lost. I see the CNTF as having a problem of vision more than anything. The issues around how it reviewed the projects and subsequent issues of disbursement and institutional capacity I leave to others.

**Q59 James Duddridge:** In the paper that you co-authored with Adam Pain you challenged the use of the term "alternative livelihood". What are your reservations about that terminology with respect to Afghanistan?

Mr Mansfield: The point at which you have an alternative livelihood as an end state; it is not a programme or set of specific interventions. The causal factors that have led me to the point where I have a viable alternative to poppy cultivation are a process of economic growth, security, governance and to some degree the threat of eradication. It is there at the end: it is not a series of discrete interventions that we can call "alternative livelihoods". Road building and irrigation can contribute to a reduction in poppy. There is a danger that national priority programmes and development are here and alternative livelihoods are there and so when Governor Atta says he is not receiving any assistance he is not looking at the national priority programmes and the role they can play in reducing poppy cultivation; he is thinking of his "alternative livelihoods programme". It serves the purpose of compartmentalising the drugs issue in a way that is counter-intuitive and makes no sense. To deliver a drugs outcome we need governance, security, development and economic growth, not a certain set of interventions. They do not exist outside those elements. I just find it an unhelpful term and a way of saying that insufficient alternative livelihoods assistance has been received. There are national priority programmes and other assistance. It is a way of negotiating for more money.

**Q60 James Duddridge:** Christian Aid uses the term you do not like but argues that there is considerable scope for improving DFID's existing alternative livelihood programmes. What is your assessment of that assertion?

Mr Mansfield: Again, what is it classifying under "alternative livelihoods"? I see the national priority programmes as contributing to a CN outcome. I have been helping with NRAP (the National Rural Access Programme) which looks at how that might better maximise CN outcomes. There is a range of different interventions in the portfolio that can contribute. I just find the AL aspect an abstraction. I believe that people are talking about different things at different times and it does not help. We should be talking essentially about rural development and economic growth, not using a term which you might use in a different way from me. We constantly hear people say that they do not have enough money in AL. AL is the national priority programme. We are constantly talking at cross-purposes. I find that an unhelpful term. As to DFID's work, fundamentally I support the idea of national priority programmes and the development of synergies between them. I think it has done various things in relation to the ALP in Balkh and Herat and the work that it used to do in Badakhshan through its development forum. These are centralised national

programmes to be brought together so they work in a more synergistic way, but you must also come up from the bottom with BDF and others to try to get communities empowered to make demands of those programmes so they are not so top down centralised and are more demand-led and responsive to communities' needs. That is the challenge.

**Q61 James Duddridge:** What are your views on the DFID programme to encourage the production of mint and saffron and melon further north, for example?

Mr Mansfield: They are all essential elements. There is a range of different interventions going on across Afghanistan, looking at high-value horticulture. The Dutch have GSE in Oruzgan buying up saffron. There are various interventions by USAID. DFID is doing its own project with mint and saffron with Mercy Corps and others. All of these are important elements in terms of increasing the value added of horticultural production, but they are not sufficient on their own. They are a necessary but insufficient condition. To deliver a CN outcome and reduce dependency on poppy cultivation in the Afghan economy will require a broader effort based on economic growth, security and governance. They are valid efforts.

**Q62 James Duddridge:** Paradoxically, at a time when the Common Agricultural Policy in Europe is moving away from paying farmers not to produce there is increasing talk about paying poppy farmers not to produce. What is your view of that, and is it sustainable?

Mr Mansfield: The mechanisms to implement something like that are non-existent in Afghanistan today. A farmer will not see subsidy; there are too many interlocutors who will take their cut. Looking at the costs of implementing it and the capacity to monitor it, the prerequisite is to have some kind of state that is out there doing service delivery with infrastructure. It is the same in relation to legal cultivation. The prerequisite for any magic bullet is a well functioning state across Afghanistan. We are not there.

**Q63 James Duddridge:** Lord Malloch-Brown said that we were muddling along in relation to counter-narcotics. Is it a somewhat naïve view to assert that there is a single solution and that whilst politicians would like that from what you are saying it is not that simple; it is highly complex with a whole range of solutions and we should not really typify what is happening as "muddling along" rather than using a range of solutions and experimenting with them and that will be much more effective than a single new policy.

Mr Mansfield: It is an incredibly complex environment. Where we have some successes you will see a response in relation to the drugs business and wider livelihoods. You constantly must evolve with the drugs business and the economy of Afghanistan and the changing security situation. Whether or not it is muddling along, after 10 years of doing this kind of work I have sympathy for the phrase but I think we have a far better understanding of the problem and what is required. There are issues around what can be done in the current environment, particularly in relation to the levels of insecurity. I am sure you will hear from colleagues later that this is not just in the south but in other areas. In 1994 a friend of mine who worked for DFID did a one-month review in Afghanistan. When he came back his political analysis was that the Taliban would remain a small organisation restricted possibly to Helmand and Kandahar in the south. By 1996 they had Kabul; by 1998 they were in much of the country. I am wary of predictions about Afghanistan and any idea that there is a unique solution. As soon as you come up with a solution the situation has already adjusted. You must constantly evolve, move and understand the context so you can shift your responses.

**Q64 Sir Robert Smith:** Historically, obviously agriculture has been a major part of the Afghan economy and yet the NGOs are concerned that support for agriculture is considerably under-funded. DFID does put money through the Ministry for Rural Rehabilitation and Development which has related impacts on agriculture, and three per cent of the funding of the US goes towards agriculture. Has agriculture been neglected by donors?

Mr Mansfield: The Ministry of Agriculture has probably been somewhat neglected by the donors. There has been a lot of investment in rural development. There are more investments in relation to horticulture. USAID debates how it is operated but has put a lot of money into RAMP - I cannot remember what the acronym stands for - which is an agricultural marketing programme and then it is put into ASAP. It puts a lot of money through its alternative livelihoods programmes. A lot of it focuses on value chain work in the agricultural sector. The emergency horticulture and livestock programmes of the World Bank are quite significant. There have been whole issues about working with the Ministry of Agriculture; it has been problematic in terms of working with NGOs. It had a range of advisers who were stuck in the old days of the collectives and wanted to provide all kinds of price subsidies and have large tractor plants that they could rent out. There has been a whole range of issues in terms of working with the Ministry of Agriculture. From what people are saying they appear to be working their way through. The agricultural base of Afghanistan is fundamental, but if you consider what has been successful in other countries you must also look at the non-farm income side of it. If you look at Pakistan, Thailand and areas where poppy cultivation occurred you see a process of movement away from the land. In many areas of Afghanistan where opium is most concentrated they cannot sustain the population with poppy. There are such small land holdings and such high population densities. People must move down. There is a natural process of development where people move down to non-farm income opportunities in urban areas. Agriculture is fundamental but that side also must be considered.

**Q65 Sir Robert Smith:** Colleagues who went north said that farmers had diversified into melons and then the crop failed because of a melon flea. Wheat could be much more productive with more inputs in terms of managing the

crop. Are skills and advice not being provided in that sense?

Mr Mansfield: What the Ministry of Agriculture is doing out in the field is debatable. If you go around looking at the ag-extension and provision of advice and support clearly it is wanting. Much of that support comes from the NGO community and through some of the large programmes. A lot more can be done in those areas to pump-prime the legal economy. I am a great fan of the Peace Dividend Trust. I do not know whether you met them. There is an issue about local procurement and the fact that we have PRTs, the military et cetera who fly in all this food when that money could be put into the legal economy or used to pump-prime horticultural production. Some people estimate that there could be \$1 billion worth of investment in the rural economy if the various forces bought locally. Efforts are being made there by the Peace Dividend Trust. The US military used to spend \$38 million on importing bottled water; it now buys locally. These kinds of efforts could be helpful.

**Q66 Chairman:** In one village we visited a clean water supply had been installed for the villagers and it had switched from poppy - they did not say so but we got that impression - and were growing melons. They said that the melons were failing and there was nobody who could advise them how to deal with the problem, or whether they should grow alternative crops. Their animals were suffering from a shortage of drinking water. Again, they wanted an irrigation scheme and there was nothing there. There seemed to be a clear gap. They knew what they wanted but there was nobody to provide it.

Mr Mansfield: Yes.

**Q67 Richard Burden:** You have emphasised the importance of constructing a functioning state in order to get the integrated strategy that you think will be important. That requires all sorts of things but certainly co-ordination between different departments and so on. Where do you think in all of that the 22,000 community development councils sit? How effective do you think they are or could be in developing the kind of strategy you are talking about?

Mr Mansfield: Again, that probably takes me a bit outside my comfort zone. Given the nature of the way I do my field work I tend not to engage too much with the CDCs, but I am very much aware of some of the discussion that is taking place around sub-national governance. I think they can be enormously helpful as a development platform in terms of engagement with them in understanding community needs and clustering CDCs. That is very much what AKDN and others have been doing; they have been clustering them so they can make the national priority programmes more demand-led. I see them having a very important role, but the next witnesses will probably be able to give you a far better idea.

**Q68 Sir Robert Smith:** We were told in Helmand that some of the reduction in poppy in the past had been to do with just shortages of water and given that the rains had come back and the forecast was more rain we should not expect any reduction in poppy cultivation in the province for the foreseeable future. From your earlier answer you suggested that all the drivers are for continued poppy cultivation.

Mr Mansfield: I go back to my earlier comment about making predictions about Afghanistan. If you look at poppy cultivation in Helmand today, economically it is not very attractive. If you consider that people were paying up to \$20 a day for hired labour - most households have to hire labour during the harvest period - it is an incredibly labour-intensive crop. During the harvest season the requirement is two hundred person days per hectares; it is 350 to 360 person days for the crop as a whole from the point of preparation of land to final clearing of the field. For harvesting you have to get the right amount of labour at the right time and labour must have the right skills. You do not want idiots doing it; they will reduce your yields. When I was in Nangarhar I met people who were going to Helmand because the wage labour rates were \$20 a day and they were getting a premium for working in an insecure environment. If you calculate the net return on opium poppy, not the gross returns that we are often presented with - for example that poppy provides 10 or 20 times more return than wheat - it is unattractive. Why do they continue to do it? They do it because the trader goes to them. It is low risk and so it is a better option for the farmer. Some households bring in share-croppers who do the bulk of the work. Eighty per cent of the total cost of opium poppy cultivation is labour. You need to find ways to access cheap labour, and share-cropping is one way to do it. If I am a landlord at the current rates as an owner cultivator I am not making much money from poppy but it is a nice low-risk crop in a high-risk environment. If I am a landlord and I have share-croppers with the provision of credit I can buy the crop early as a distress sale at a low price. I am accessing their labour cheap because of the nature of the share-cropping arrangement under which they get 50 per cent of the crop and I get the other 50 per cent but they are doing all the work, and I can sell later in the season. I can make money essentially from the surplus value of labour. Some farmers can still maintain a degree of profit; others are just managing risk. Too often we talk of these farmers as if they are all profit-maximising. Farmers the world over look at what kind of risk they can afford to take and manage it and within that risk they try to maximise profit. Farmers in Helmand are no different from farmers anywhere else in the world. Is it going to go up or down? I will be able to tell you in about a month's time because at the moment I have people there in various districts at their own risk doing field work; they are looking at the process of decision-making, so you will have to wait for that.

**Q69 Richard Burden:** Can you give your impressions of the narcotics/insurgency link? I know that it is difficult to define "Taliban", "insurgents", "drug-traffickers" and "foreigners". That is a complex area. When we were there we were told in very broad terms that the Taliban, however defined, got between 20 per cent and 40 per cent of its income from poppy and that figure has been bandied around elsewhere. What is your assessment of that?

Mr Mansfield: I would be fascinated to know the methodology. There are some clear links, but how strong they are is under some debate. I see a significant shift. I used to do field work during the days of the Taliban in Helmand, Kandahar and various places where I would not even think to go now. I saw an environment in which poppy cultivation thrived for a number of reasons. First and foremost, I did an apprenticeship with opium traders in the south; I spent three weeks looking at the farm gate trade in Kajaki, Musa Qala and places like that. I would meet traders who had been involved for many years. I asked what had been the big change in the opium trade in the past 25 years. They said that in the old days when the Mujahideen were in charge there were checkpoints everywhere. They had camel bags on the back of motorcycles - the sort of thing you can buy in Camden market - and half would be filled with money and the other with a gun. They would travel through the checkpoints and pay money, so it was very difficult to operate. With the Taliban all those checkpoints went so basically they could travel from district x to the border and obtain a better return on the opium they sold. In terms of trade it could expand. The argument was that it was easier for them because there were a lot more new entrants into the opium trade as a consequence because the security environment allowed them to trade more easily. On the farming side there was very little development assistance. There was an ongoing drought and all the right ingredients for poppy cultivation to increase. I did not see the Taliban encourage poppy cultivation; I just saw a vacuum of governance essentially. Now I pick up from field work, especially last year, that the "Taliban", whoever they are, to a certain extent encourage poppy cultivation. Is this about funding? Will the Taliban and insurgency go away if the drugs go away? I do not believe that will happen, but I think there is a play for hearts and minds. The Taliban are now encouraging poppy cultivation to some extent to provoke a reaction. What better propaganda coup than to provoke an aggressive eradication campaign, particularly with spraying? You hear people say that the foreigner cares about drugs but the priority for them is security, employment and corruption. The argument that you hear sometimes from farmers is that those issues are not addressed. This is right or wrong; it is the perception of truth that counts. The perception is that foreigners care about drugs and the Government of Afghanistan is trying to get rid of them to help foreigners deal with their drugs problem at home. If that is the perception in rural areas and you come in with an aggressive eradication campaign, what better way is there to win the hearts and minds of rural population? I think the funding side is there but I am sure they get their funding from all the usual sources with which we were so familiar in the late 1990s. Is that the primary motive? I tend to think not. I think it is about the hearts and minds of the rural population. Sometimes we underestimate the "Taliban" vision in some of this. They are more than able to look at the strategic picture about how the drugs issue can be fought over.

**Q70 Sir Robert Smith:** Dealing with what seems to me to be the madness of aerial spraying, presumably in the nature of the cultivation it is not just serried ranks of poppy fields that you can delineate and spray rather than food production. Presumably, the spray does not just sit on the field; it goes into the water courses. What are the practicalities of aerial spraying?

Mr Mansfield: The science is debated constantly in relation to what is being sprayed and subsequently what its half-life is. How resilient is it in the soil? Does residue stay within the water and so on? I am not qualified to go into the science. The reality is that in Afghanistan very few people mono-crop poppy. If you do typically it is because you have such a small land holding, labour density and a certain number of people where essentially the opportunity cost of labour is negligible and you maximise poppy cultivation. Even so, there will be a small amount of vegetable production for household consumption. Most people grow a range of different things. Poppies are grown in irrigated areas typically near the household compound as well, so unless the accuracy of this process has reached a high level it strikes me that you are bound to have collateral damage, which I think is the phrase.

Chairman: Mr Mansfield, you have given us the scale of the problems inasmuch as what you are really saying is that you would need to provide viable alternative crops, security to trade them, alternative livelihoods and to some extent a functioning state. That is a pretty challenging set of deliveries. Obviously, that helps to explain why Afghanistan is such a difficult and challenging problem. In particular, you have described the link between insecurity and poppy production in that it brings the purchaser to the farm if the farmer cannot leave. Thank you very much both for your written evidence and the exchange this morning. It has been extremely helpful.

**Memoranda submitted by the British and Irish Agencies Afghanistan Group (BAAG), ActionAid International and Afghanaid**

**Examination of Witnesses**

Witnesses: **Ms Elizabeth Winter**, Special Adviser, Policy and Advocacy, British and Irish Agencies Afghanistan Group (BAAG), **Mr Mudasser Hussein Siddiqui**, Research and Advocacy Co-ordinator, ActionAid Afghanistan, and **Mr David Page**, Chair of Trustees, Afghanaid, gave evidence.

**Q71 Chairman:** While we wait for other colleagues to return it may be helpful if you briefly introduce yourselves and your background to get it on the record.

Mr Page: I am the current chair of Afghanaid and have been a trustee for about 10 years. I came into it with a background in the media in that I worked at the BBC World Service for some 20 years and was involved in

broadcasting to Afghanistan, Pakistan and other countries. I have been working with Afghanaid for 10 years and I have made annual visits for the past three or four years to some of the projects we are doing. We work as an organisation in four provinces. We have been working in Badakhshan for 10 or 12 years and in Ghowr and Samangan since 2000. We are also working in Nuristan in the east. That is probably the most difficult area in terms of the security situation. We have been finding it very difficult to work there recently because of the growing insurgency, but in the other three provinces we are still able to do our work. There are shortages in funding for the kind of work that we have done traditionally. Previously, we did integrated rural development work with funding from DFID in Badakhshan and from the EU in Ghowr. We have found it very difficult to replace that funding since DFID and the EU decided two or three years ago to change their priorities and fund the Afghan Government. In terms of DFID, 80 per cent of its funding now goes to the Afghan Government.

**Q72 Chairman:** We will explore that with you.

Ms Winter: My name is Elizabeth Winter and I have been involved in Afghanistan since 1977. I still go there about three times a year. My main role is with BAAG which is an umbrella group for British and Irish NGOs. I am the special adviser on policy and advocacy. I also work as an independent specialist and I am doing quite a bit on civil society development in Afghanistan at the moment. I am also a trustee of Afghanaid, having helped set it up.

Mr Siddiqui: I am the policy and advocacy co-ordinator for ActionAid in Afghanistan. I have been there since February 2005. ActionAid has been working in Afghanistan since 2002. Most of our prior operations have been in the provinces of Jowzjan and Balkh and also in Kabul. We also have small operations in Kandahar, Konduz and Ghazni. We are a facilitating partner for the national solidarity programme. We also have projects for the demobilisation and re-integration of children affected by war. We are working on Women in Parliament and also on issues of policy and advocacy with respect to governance, accountability, transparency and civil/military relations.

**Q73 Chairman:** Mr Page, you mentioned the difficulty of operating in some parts of Afghanistan. I am sure that it also affects your colleagues. According to BAAG 89 aid workers have been killed since 2003. Can you give us a feeling for the security situation and the extent to which - I think it is a point of discussion here - you are more or less vulnerable if either you are associated with the Government or you maintain neutrality? In which context are aid workers most vulnerable and what is the scale of the problem? Clearly, that kind of attrition is a serious consideration for attracting, retaining and delivering the work you do?

Ms Winter: Whatever way you look at it the scale of vulnerability has definitely increased. It is not just a risk of being killed but also being maimed. Local NGO staff are abducted and threatened and then perhaps assassinated. There are also kidnapping attempts. It has also increased our costs quite considerably. We are vulnerable in the sense we do not have close protection; we do not have armoured vehicles or the military looking after us.

**Q74 Chairman:** That makes you soft targets?

Ms Winter: Yes. At one point it appeared that the insurgents were considering not going for NGOs but much more for the military and government but that seems to have changed again. We are extremely vulnerable. As to working with the Government of Afghanistan, that is a tricky question. We have supported the Government; obviously, a country needs a state, but if we are too closely allied with some of it it can be used as a weapon against us. We have to address that dilemma constantly. Many of our partners and member agencies work closely with the Afghan Government in various ways, whether it is at policy level or being the implementing partner in programmes like NSP.

Mr Page: Certainly, Afghanaid has suffered quite a lot. Over the past year in Nuristan we have had three groups of staff kidnapped. Mercifully, they were released unharmed, but that kind of thing has been going on. In some cases this is not us being targeted because we are trying to implement a government programme but because there is a criminal element at play. That is equally an issue in the north. In the northern areas where development is still possible in the traditional sense and security has been reasonable we see some deterioration. For example, in Badakhshan in the north east and in Ghowr some districts are problematic; there is some overspill from Helmand. The fact that this coincides with a certain attrition in funding for the kind of frontline service tasks we have been doing in agriculture and veterinary work means that it makes matters worse. Obviously, the NSP is doing well and we have been very much involved in it, but it does not cover a lot of the interventions in agriculture, veterinary work and so on in which we have traditionally been involved. As David Mansfield said, obviously agriculture is a key area in which we find it very difficult to attract funding. It is the coming together of two factors, growing insecurity and an attrition in funding, which makes matters worse.

**Q75 Chairman:** We shall come to that particular point in a minute.

Mr Siddiqui: It is evident that the security situation has an impact on NGO operations and places a lot of strain on our work there. NGOs pretty much depend on the good will of the communities and they are the ones who provide security. It is not as if we go round with guns. In the absence of any development work taking place in the villages they tend to lose faith. They see us on a day-to-day basis and sometimes hold us responsible for funds not coming in, and that is contributed to by the local political dynamics. Local power holders also tend to blame each other or the NGOs for situations such as these. One of the important aspects is the lack of regular analysis of the situation to make adjustments on the ground. There is no regular political conflict analysis taking place in the country. DFID says

in its strategy paper that there should be regular conflict analysis to guide the department's intervention in the country, but it has not been happening in Afghanistan. Unless and until we do that we will not be able to position ourselves for the changing situation in the country.

**Q76 Chairman:** The relationship between agencies like DFID and NGOs is clearly a dynamic and changing one. As a committee obviously we constantly discuss the role of budget support and direct budget aid. Whilst in Afghanistan we looked at co-ordination through the Afghan Reconstruction Trust Fund which, to be fair, we felt was an effective way to try to pull together what donors did, but from your point of view do you understand that and do you think it is a valid objective? At the same time, does it adversely affect what you are doing? To be quite open and honest, the Government has a policy objective and you are independent NGOs with your own objectives. There is not an automatic right for you to be supported by the Government, or vice versa, so it might help if you explained how you think the dynamics work or do not work in that context.

Mr Siddiqui: As far as the ARTF is concerned we all think that it is needed and it is doing well, but we also think it can do better. There are a lot of issues with ARTF management in terms of accountability. It attempts to bring coherence to donor support in the country which is very much needed; otherwise, different owners will go in different directions. That is quite good. But where is the accountability of the donors when they do not fulfil their commitments and pledges and ARTF does not provide any mechanism for accountability? There is no aid monitoring and evaluation system. There is also no civil society participation with respect to oversight. Civil society is very much involved in the ARTF. As NSP implementers we get our money, implement our projects and then we say goodbye.

**Q77 Chairman:** We had a briefing from the World Bank which was instructed to provide the monitoring and accountability to the ARTF. It went out of its way to point out that it is done on the ground in country, not from Washington, and uses independent auditors. It maintains quite strongly that there is proper monitoring. That is very important to us because, after all, we are here trying to investigate our Government's accountability to the taxpayer and we need reassurances that that is the case.

Mr Siddiqui: My personal interaction with the World Bank has been in Kabul. It has said quite openly that it cannot hold donors accountable if they do not give money. They make pledges but there is nothing in writing. If they go back or delay their funding it can always request it but there is no mechanism to apply pressure.

**Q78 Chairman:** We are perhaps talking of two different things here: one is the extent to which donors commit funding and the other is what happens when the money goes to the ARTF.

Mr Siddiqui: Yes. But there is a gap between the commitment and the money, whether or not it is coming. There is also a gap on how the money is spent and whether there is oversight of that. They definitely have auditors but how do they involve government and civil society, because the latter and also communities are part of the same building process? Is there a bottom up accountability mechanism over there? Unfortunately, not.

Ms Winter: To go back to the more general question of funding of NGOs, we support HMG's view that it should be funding the Government of Afghanistan and building its capacity. There is no question about that. We have questions, however, about the way it is being done and the fact it was done by throwing the baby out with the bathwater at a time when the Afghan Government did not have the capacity to provide services or do things that the population or donors expected of them. We have also been told that the transaction costs for DFID are high and they cannot really fund NGOs in the way they used to. Therefore, these two things work together. What has happened instead is that these transaction costs have been passed on to NGOs which have been subsidising to a great extent programmes like NSP because of the delays in funding. You may hear more about that later. Therefore, it has been extremely difficult for NGOs to operate as partners in these programmes.

**Q79 James Duddridge:** When you refer to transaction costs to what exactly are you referring?

Ms Winter: NGOs are told that it is too expensive for DFID to give money to them and that asking for small amounts requires a lot of monitoring and supervision. We would argue that it should have more staff in that case.

**Q80 James Duddridge:** That is another issue.

Ms Winter: Yes. DFID has been given a lot more money and told to reduce its staff which is a huge problem. The main issue is that NGOs are not asking for money for themselves per se; they are asking to be able to provide services to Afghans who are in great need. At the moment, having had their programmes and funding reduced there has been a service gap, as identified in a recent ODI report. That means many of the programmes NGOs have been running both because of lack of funds and security have had to close. That has been a real problem for beneficiaries. Our view is that funding of NGOs should have continued. Some of it will trickle down through the effective ministries, which at the moment tend to be education, MRRD and health, but by and large NGOs have had a major issue with that and with security and their programmes have been at risk. Therefore, beneficiaries have suffered in terms of the frontline work about which you have already heard. On top of that agriculture and other programmes are under-funded; higher education is not funded, et cetera. That is why we have been asking for a review of the policies and where we have got to. We need to have a look at what we have achieved so far. Maybe the pendulum went too far in

direct budgetary support, because the other aspect of it is that the capacity development of the Afghan Government has been done in a very piecemeal, ad hoc, unmonitored and unevaluated way. If you talk to Afghans in the Government as I have, they would welcome real capacity development and an independent review - the World Bank has gone some way towards doing that, showing this piecemeal effect - asking Afghans how they have experienced capacity development and what they really need to be able to fulfil the functions that they are required to fulfil in a good state that looks after its people.

Mr Page: In terms of the ARTF, we are an implementing partner, as is ActionAid, for the NSP. We are working in 900 communities. The NSP has been an extremely successful programme and has established community development councils in over 20,000 villages. One sees that as a hugely important step forward having seen elections take place in some of these CDCs. Given that elections have not taken place in Afghanistan for 20 or 30 years they have made great strides. It has also involved women at the CDC level, which is extremely important. We are very pleased and proud to be involved in that. What we are disappointed and worried about is the fact that NSP funding as such for the whole programme is always unpredictable. As we speak today, there is an anticipation of a shortfall of something like \$200 million in March next year. There are constant cash flow problems. For example, between April and September of this year Afghanistan has been paying staff out of its own reserves. There was a six-month delay in receiving the payment for the work.

**Q81 Chairman:** Where was the money coming from - the Government of Afghanistan or the trust fund?

Mr Page: It was coming from the MRRD and the NSP organisation. There are two problems: one is that the donors are not providing the money which they pledged; the other is that there are cash flow problems in getting the money out.

**Q82 Chairman:** I am told that part of the problem is that it is all paid in arrears.

Mr Page: That is another factor. For example, you are helping villagers to decide on their priorities. This is a very democratic system. Mostly they decide on infrastructure improvements, but you help them as a facilitating partner to put up their proposals and they wait for 10 months to get the money.

**Q83 Chairman:** We met a number of them.

Mr Page: Some of these problems are now being sorted out, but there is uncertainty. Another worrying thing about NSP is that the first part is a three-year phase; the second is a two-year phase. If you have delays in funding there is a season in which you work and the whole thing can be delayed and so on. There is an expectation. We do not know what is going to happen. Is it just going to be two years when you do this work and then move on? If this is a critical democratic building block for the future development of the country in which men and women are involved there needs to be some further assurance that this money will be available.

Chairman: We might want to pursue that.

**Q84 Ann McKechin:** In my local community a delay of 10 months in the provision of money for infrastructure would not be unusual. I wonder whether it is just about people's expectation of what they think local government is when they see it simply as a funding agency and one in which at the moment there is no infrastructure for collecting revenue from local people, so there is a degree of responsibility and rights within the relationship with local government at one level. If they simply see it as a grant-making body and something to take from is that perhaps setting the wrong incentive and culture within local communities?

Mr Page: We are doing all sorts of things to encourage local empowerment. The NSP programme is one in which money is being made available for infrastructure improvements.

**Q85 Ann McKechin:** Should it not be a two-way process in that people contribute to it as well?

Mr Page: One has situations where the local community is expected to make contributions, for example to building or irrigation, whether it is labour or whatever. It is not simply a matter of handing out money. This has been the system and also the expectation. Obviously, it must be reinforced by the kinds of things that a lot of NGOs are doing, for example by encouraging self-help groups. It has proved to be a very useful initiative, particularly for women. To see the way in which women are now managing some of these projects is extremely encouraging.

**Q86 Hugh Bayley:** I turn to the Counter-Narcotics Trust Fund. Mr Page, you said some pretty harsh things about the fund. In your evidence you say that you have applied to the trust fund for resources and have been told to rewrite your proposal five times and you still have not received clear answers about whether or not you will get funding. What do you believe is the problem, and what is your prescription for changing it?

Mr Page: I think David Mansfield may well be right that there is been a lack of clarity about what is being attempted with the fund. The rules have changed quite dramatically since the beginning. I think that in April 2006 we applied

for money from this fund and that was at a time when DFID funding for some of the work we were doing - integrated rural development in Badakhshan - was coming to an end. We were certainly encouraged by DFID to think that perhaps this might be a source of funding for continuing that important work. A new government fund had been set up and we might be able to get something through that.

**Q87 Hugh Bayley:** What are you bidding for? What does the Afghanistan project seek?

Mr Page: Basically, we provide a range of different interventions in Badakhshan to improve wheat varieties and help to increase productivity. We have a veterinary service for the villages with which we work. We provide women's resource centres. We have a child rights programme and also a micro-finance programme. We are involved in self-help groups.

**Q88 Hugh Bayley:** Broadly, you are saying that DFID and the EU have withdrawn funding for these programmes of work and you made a bid to the trust fund for a continuation of funding.

Mr Page: It was not exactly a continuation.

**Q89 Hugh Bayley:** It was for the next phase of this kind of work.

Mr Page: Yes. Badakhshan is one of the five major poppy-growing areas in the country and this is the Counter-Narcotics Trust Fund. We were providing a range of interventions, if you like, in an attempt to help farmers develop alternative livelihoods or encourage them to increase their productivity and economic situation. We were led to hope that this fund might be a source of assistance for that. We approached it first through the agriculture ministry, which we were encouraged to do. That took a long time. When it got to the counter-narcotics ministry we went to the bottom of the queue. The counter-narcotics ministry then decided that all these projects should be tendered, so they had to be neutralised and made less specific. We are not really sure why it has taken the turn it has, but 18 months later we still do not know whether our proposal has been accepted.

**Q90 Hugh Bayley:** My briefing note says that about \$19 million has been allocated or pledged to the fund and about \$3 million has been distributed. Can you remember what the value of your bid was?

Mr Page: I think we were asking for something like \$4 million in Badakhshan and Ghowr provinces for work in that area.

**Q91 Hugh Bayley:** You state in your paper that the intellectual property that you have in your way of working would be put at risk if there was a tendering process. It seems to me that you need to find some way to reconcile good practice with public money on the one hand and the way NGOs work on the other. I entirely understand the frustration if you are told two years into the process that the rules are being changed and they now want tendering rather than grant application, but why is tendering a bad idea for NGOs?

Mr Page: There is no problem with tendering. If they want to have a tendering process and they want to do some counter-narcotic work in Badakhshan let us have a tendering process; as many NGOs as wish can tender, but to ask people to apply through the agriculture ministry or other ministry for this fund and then tell them that the ground rules have changed completely does not seem to be a very sensible way of proceeding, particularly when we put forward a proposal that is based on our knowledge of that particular area. There are ministries in Afghanistan that work well and one should not knock them as a whole. The MRRD and education ministries have done extremely good work. It just appears that the counter-narcotics ministry, for whatever reason - there are other stakeholders as well, the DFID is one and UNDP is another - has not been able to develop a clear process for this.

**Q92 Hugh Bayley:** What is the role of UNDP in the trust fund?

Mr Page: I am not entirely sure of the precise role, but it is involved in managing the thing. DFID is the main donor and then the counter-narcotics ministry has the final say in looking at these things.

**Q93 Hugh Bayley:** We certainly saw a variable level of engagement, competence and corruption between different government departments, but it seems to me that the difficulty is that you face bureaucratic problems dealing with government ministries. The implication is that the funders, DFID and others, should really be managing ways through these processes.

Mr Page: Obviously, donors are involved in assisting and advising a lot of these ministries and that is the way the situation works. Our hope is that some greater clarity can be brought to this so this money is not simply locked up, because it is money that could be used for these purposes. Therefore, there is a degree of frustration. We do not say that we shall necessarily be successful, but to have a system where there is no decision and no clarity seems to be very unfortunate.

Ms Winter: Under this tendering process the problem would be that the programmes devised by Afghanaid based on its experience and abilities would then be tendered at a lower rate by an organisation that did not know how to run them. That was the fear. As to who runs the trust, it is administered by UNDP. DFID will tell you that it has done its utmost to try to get the bureaucracy to work. Somebody new was appointed in the summer to UNDP to get the thing right and to get it working because DFID's view was that that was where the money should come from for NGOs to do the rural development programmes that are so badly needed. I talked to that person in the summer and she told me that the plan was to evaluate the CNTF, where it was at and what it had already disbursed. There was an argument going on because DFID felt that it should disburse the money and then evaluate it. There was one bureaucratic hurdle after another, plus lack of clarity in the mission, as it were, on the part of all stakeholders involved in it. The upshot is that the money has basically not been disbursed and everybody is waiting around for it. It needs to be sorted out.

**Q94 Ann McKechin:** We have talked about the national trust fund the bulk of which I understand is used to pay public sector salaries of teachers, nurses and doctors. You have also spoken about problems occasioned by the capacity of individual government departments and some are doing much better than others. Can you point to some examples of best practice where you think the donors have been assisting the capacity of departments? Other departments seem to be bedevilled by issues regarding corruption. Does that require a political rather than funding change?

Ms Winter: I think that political change and pressure need to be brought to bear so there is real capacity development and that the levels of corruption are dealt with. Those ministries that have good ministers in them are the ones that attract the support of development funding et cetera and they are the ones that are able to use it. You have the haves and have-nots. That was very clearly illustrated when the Minister of Rural Rehabilitation and Development moved over to education and money moved with him, as it were. That is something that needs to be looked at. Those ministries that are functioning well are the ones to which we have already referred: rural development, education and health. Not surprisingly, they are the ones that value and use NGOs in a very sensible way. For example, in the health ministry NGOs are involved very much in planning policy and implementation, looking to future programmes and so on. That works well. As to education, it was NGOs that provided the services by and large, particularly the Swedish Committee. It has handed over its schools wholesale to the Ministry of Education but retained a certain number that it is working with as model schools, particularly in terms of girls' education and so on. There is a very good working relationship between the ministries and money, therefore, does get to the NGOs. We need to evaluate what has already been done, because these are examples of good practice, and try to use them particularly with the Ministry of Agriculture and Ministry of Higher Education. Another issue has been lack of capacity because people did not receive education even to secondary, let alone tertiary, level, and that is being perpetuated. Non-formal education is also an area that needs to be looked at.

**Q95 Ann McKechin:** In Mazar-e Sharif we met a woman who was working with an NGO. She was a teacher by profession. I was very disappointed that an NGO should appoint a teacher given the vast shortage of members of that profession in state facilities. The point made repeatedly is that NGOs have been recruiting away from government the best quality staff and in many cases entrenching the problems rather than dealing with them.

Ms Winter: There will be odd cases where you have people who are appointed to jobs in areas that are not within their technical competence. One gets examples of that whether one looks at the UN or the Government of Afghanistan. There are also examples of NGOs having very good engineering departments, of which Afghanaid is one. The Government then scooped all of them up into the Ministry of Rural Rehabilitation and Development because it needed engineers; it sucked all of them from the NGO system. It works both ways.

**Q96 Ann McKechin:** Ten thousand are working with the United Nations. That is a very high number.

Ms Winter: Some of them are specialists in rural development and they work as drivers and interpreters. It is a major issue. Another problem is that government departments pay very low salaries. In ministries where they know their way around the international system they will do top up, which means that they can attract people.

**Q97 Ann McKechin:** You recognise that there is a problem in that the NGO community does not appear to have a co-ordinated approach to tackle this. It is taking people away from the state sector at a time when it lacks enormous amounts of capacity.

Ms Winter: I will give you another example where I believe it is largely refuted. I would like to see the evidence, but certainly NGOs get the blame for things like this. More than any other institutions in Afghanistan NGOs have built the capacity of government officials. For example, when Ashraf Ghani and other ministers came in they took people wholesale from the NGO sector to work in the Government. I was asked whom they should approach. Several ministers - some are still in their jobs - came out of the NGO field. They did not come from higher education elsewhere or the Afghan system but from NGOs that had worked for years in Peshawar and Afghanistan. It is very easy - all of us probably do it from time to time - to blame another sector for doing things, but I would like to see the evidence. I would be very surprised if it is true that NGOs are taking the best people. Having said that, at the end of the day if you are an Afghan with some education who wants to look after your family, plus rebuild your country, you will try to make that contribution where you feel it will be most effective.

**Q98 Ann McKechin:** It would certainly be helpful if the NGOs kept accurate statistics which were readily available to

the Afghan Government and Parliament so it could assess the level of the problem.

Ms Winter: Readily available statistics on what?

**Q99 Ann McKechin:** I am referring to statistics in terms of whom you are recruiting, what the academic qualifications are, how long they stay with you and what salaries you pay, so we can have an accurate analysis, because it seems to me the major problem is that the Afghan Government has very little control over a lot of areas about which you would expect any other government to know.

Mr Page: I totally sympathise with your concern that the Afghan Government should become more effective; we all want to see that, but as far as NGOs are concerned I do not believe we are seeing a huge increase in staff at the moment. It is not as if we are recruiting enormous numbers of people. For example, the staffing of Afghanistan has been fairly stable for the past three or four years. There is a tremendous capacity in NGOs which the Afghan Government itself recognises, in the sense that when it comes to implementing the NSP it decides that it needs to have NGO support to do it. The whole of the NSP programme and setting up of all 23,000 CDCs across the whole of Afghanistan has been done by NGOs. It is the skill of the NGOs that has made this possible. I agree that there is an issue about comparative salaries.

**Q100 Ann McKechin:** It is also a matter of statistics and having some idea of where skilled labour is based. It would be very helpful if NGOs could do that themselves. Surely, it is within their capacity to do so.

Mr Page: Obviously, we are monitoring fairly closely our staff recruitment. We are finding it more difficult to find Afghans who are competent to do the kind of work that we were employing them to do four or five years ago. We have had to look internationally for some of the people we need for our work simply because a lot of the experienced Afghans we had on our staff before have gone to take on work particularly in the UN sector, some of them with government.

**Q101 Ann McKechin:** This kind of analysis would be very helpful in finding out where skilled labour is in Afghanistan, which agencies it is passing between and what the various agencies are doing in respect of training up and recruiting new staff. Without that the ability of any government to find out where skill shortages are and how it will address them in future is incredibly weak. I put it to you that there is some onus on the NGO community, as with all other donors, to try to address this issue because at the moment there are so few skilled people in Afghanistan.

Mr Page: NGOs realise that they have these skills and they have been saying to government and others they would like those skills to be used to help build the capacity of the Afghan Government. If you go to a province like Ghowr you will find that the governor who is presiding over a growing administration where there is an issue of competence, skill and so on will want NGOs to help in that process. But the international community and Afghan Government have been quite reluctant to take that skill and capacity-building help from NGOs. One does not quite know why. Perhaps part of the reason is that there is a tendency with the management of all the donor funds to drive down costs to a point where the job cannot always be done at the necessary level.

Ms Winter: We will take away this point. BAAG will look at it in conjunction with ACBAR because if this is a recommendation that is coming to us we will take it seriously. It will be a difficult job to do. Perhaps we can have a word about it afterwards.

Mr Siddiqui: There is an argument that NGOs tend to get some of the quality staff. We should look into it. Having said that, one must also recognise the role that NGOs have played in developing capacity not only in providing on-the-job training to people. I can give you a recent example of the national solidarity programme where the Government has said that in the last year of implementation each district must have two staff from the local MRRD department seconded to the NGO implementing the project to provide on-the-job training. NGOs have been doing that, but some of us have also faced problems where the Government has not been able to provide its own staff to deal with it. Further, NGOs have established some training institutes. There is a debate about whether they are new training institutes or they are providing low-cost training on management and various other issues. ActionAid has its own capacity-building unit. We provided training on rural development and three-month fellowship programmes. There is a demand for it to the extent that we are now converting our department into an independent training institute which will provide fellowship training on development and human rights issues to create a cadre of local development workers who can work in the communities. Therefore, at one level one must look at the argument that NGOs have provided not only on-the-job training but contributed otherwise to developing capacity.

Chairman: I appreciate that you take that point and on that basis we will come back to it.

**Q102 Sir Robert Smith:** Obviously, one of the positive experiences in Afghanistan has been the ability to go to a school and sit with a whole lot of girls with textbooks who are studying, meeting women Members of Parliament and visiting micro-finance initiatives that mainly benefit women because they are more likely to repay loans than men. But underneath we heard concerns that lack of faith in the formal justice system meant that a lot of people looked to traditional justice and a number of attitudes to women and their involvement were still very negative. At some meetings we could not meet the women members of CDCs because we did not have a female interpreter. When we

met the president he cautioned against the idea of radical approaches because of the lack of popularity and there was a need to move at the pace at which society was moving. What is your view of the position of women and where it is going? What is the role that NGOs can have in increasing the voice of women in parliament and in local consultation?

Mr Siddiqui: There is definitely a level of progress in terms of women's participation. We all agree that we cannot go for radical developments. There is a definite lack of faith in the justice system which is reflected in the latest human rights report on Afghanistan by UNDP. That argues that perhaps there must be a level of correlation between the traditional justice system and formal justice system. Having said that, NGOs have been providing support in terms of making staff available on the ground to work with women separately. For example, when we are implementing the national solidarity programme or any other community-based development programme we tend to employ women staff to go and work with women, understanding the fact that men cannot go and work with the women, but the same thing has to happen with the Government as well. Unfortunately, that has not happened. It employs more and more women staff who could go and work with women. We are not at a stage in Afghanistan where men can go and work with women directly. I think that NGOs have pretty much pitched in over there.

Mr Page: We have certainly been involved in trying to empower women at the local level where we work. We have always done this on a holistic basis in the sense we have been working with communities and have tried to provide whatever support we can for women. We provide women resource centres in which we give vocational training; we have provided literacy and health training and so on. But we do that within communities and with the support of communities. Obviously, there are dangers if one has a one-item programme and one goes into communities. It is valuable to go in and say that you are helping with agriculture, veterinary work and so on and also want to help women to become more educated. It is extremely encouraging to see small self-help groups of women in Badakhshan in particular putting together small amounts of money and enabling one of their number to buy a cow, or whatever it is, and start a small business. As you say, women are good repayers and have tremendous acumen. The projects that we are running with our CDCs are managed by women. From what we hear, they are also doing very well. One issue that emerges from some of the other submissions is whether the Afghan Government is itself perhaps providing the kind of funding for women's groups and civil society organisations that take an interest in these things. It is not doing so. DFID has recognised that by funding certain initiatives for women. There is a question about how you fund women's groups to raise the voices of women if that is not something that perhaps traditional society would naturally see as a priority. It is part of the broader question whether you need to find a better balance between, if you like, supporting the Government and seeing that as the main source of progress or whether you should also fund directly civil society as part of a better balance. Therefore, you seek to support civil society and its pressure on government to make it more accountable by that means.

Ms Winter: While it is true that one should not have radical, insensitive or not properly thought out solutions so one can just tick a box saying that one has said one will do something about women and therefore it is all right, that does not mean one should be too nervous of doing anything. There are solutions to this which will have to be gradual and long term. That means funding civil society development and providing support to people who run, often at great personal cost, shelters for women who have been subjected to abuse of all kinds and who are also working very hard to bring them into the judicial system and persuade members of the judiciary that they have a case and in turn they should try to support them. All these things take a lot of time. Meanwhile, there is a lot of underlying violence. Women are a particularly vulnerable group as are the children they look after. In a positive note COPAU (Co-operation, Peace and Unity) has done work in community peace-building which we strongly believe is another matter that ought to be supported. It has found as a spin-off that the age of marriage has increased in the communities and the amount of physical violence towards women decreased. There are sensitive, strategic ways in which this can be tackled, and I think you have seen some of the recommendations in the submissions that have been made to you.

**Q103 Sir Robert Smith:** Last night the all-party parliamentary group met members of the Afghan Parliament. When I first put this scenario I got a one-line answer: there was no problem with traditional justice and this issue did not exist.

Ms Winter: Perhaps we can look at who it was who said that.

**Q104 Chairman:** Men, I think!

Ms Winter: Part of the problem is not wanting to have shameful things in the public domain. If you are in a meeting like that you may feel that that is the appropriate thing to say. If you talk to women it is a very different story. If women begin to speak out on their own behalf, as many have done, they are also subject to assassination. There have been two or three notable examples of that recently. I think the international community needs to take a strategic view, put its money where its mouth is in terms of the commitments it has made and pursue a long, slow process in supporting the Afghan Government and others in dealing with this.

**Q105 Chairman:** When we raised with President Karzai that originally it had been agreed there would be a female vice-president and female ministers - now there is only one female minister and she is the minister for women - he said that he did not believe in gesture politics and what have you. Our response was that if he was telling us there were no able women we had met some of them. There seemed to be a reluctance right at the heart of government to have women role models. Is that something on which NGOs engage with government? It is not a question of putting people in particular situations; government is a good place to show that they are doing departmental, functional

jobs, not women's jobs, and just happen to be females.

Ms Winter: NGOs have discussed this and continue to press for it. There is no question that there is a problem at the heart of government. Having said that, it has taken us a very long time in our own society to get to the state where women begin to take positions of seniority. Many times in the past NGOs have argued with the UN and governments and asked why there are no women on their missions. As soon as you start to see women do these kinds of things you get a different perspective. It is part of the education process. We have to continue to support these initiatives.

**Q106 Richard Burden:** You expressed some concern earlier on about the future funding of the NSP and things like community development councils. If we look at it the other way round, perhaps you can give your perspective on how you see community development councils developing and their role in relation to other sub-national government structures. When we were in Afghanistan there seemed to be a general consensus among commentators about the importance of developing sub-national structures to movement in Afghanistan. In addition to your worries about the money drying up, how do you think they should develop, and what should their roles be?

Mr Page: Mr Siddiqui would like to say something about this. I shall happily contribute, but he has looked at this recently in some detail.

Mr Siddiqui: The NGOs have been quite categorical from 2004 when the CDCs were just one year old in demanding that there be some legal recognition of these institutions. Millions of dollars have been put into them and capacity has been built up at local level. As we all know, elections have taken place. This is something very new for Afghanistan because for 30 or 40 years elections have not taken place. Recognising the importance of CDCs as institutions, NGOs demanded that there be a degree of legal recognition. To that there was initially no response, but in September 2005 the Ministry of Rural Rehabilitation and Development established a working group to look at the drafting of a law which would give some degree of legal recognition to the community development councils. NGOs were invited to participate but unfortunately it was a one-off event and NGOs heard of it only later. In December 2006 there was a presidential decree about a CDC bylaw giving those bodies legal status. In its current form that bylaw is vague and ambiguous in terms of whether they are local institutions of governance or parts of civil society. I think the response of NGOs varies; there is no single position where all NGOs say that CDCs should be only local civil society organisations or part of the government as they are in other developing countries. The current national consultation process in Afghanistan - today is the last day - on CDC sustainability and its future is supposed to look into it. NGOs did come out with a position paper on the CDC bylaw which gave a very detailed analysis based on their interaction with communities and our own field staff on the ambiguities in the current bylaw and legal status. What we have been arguing is that the Government has to come up with a clear and coherent strategy as to whether CDCs are village councils, as envisaged in chapter 8 and article 140 of the constitution of Afghanistan, or they will just be civil society organisations. Further, the CDC bylaw talks about an inter-ministerial working group which has to see whether it is limited only to MRRD and citizens or should be used by other ministries. It is unfortunate that the steering committee does not include the Ministry of the Interior which is the heart of governance in Afghanistan. There have also been contradictions in that MRRD is going ahead with the CDC bylaw but at the same time an independent directorate of local governance has been established within the presidential office with the status of a cabinet ministry to look into local government issues. There is no coherence at government level which makes things quite ambiguous at village level where people are not clear whether CDCs will or will not stay. Their performance also varies depending on the quality of facilitation and the time NGOs can spend working with them. There is a definite recognition that they are an important institution. A lot of money has been invested and capacity developed in those institutions. One should not let go of CDCs; as a project of NSP they should be taken forward.

**Q107 Richard Burden:** It is interesting that you refer to the commission that has been established nationally under the president's office. Presumably, that is Mr Bopal's commission. The way it was put to us both by him and others was that that commission was established precisely to bring coherence and empower not specifically CDCs but to give some oomph, if you like, to the sub-national agenda. You appear to be saying that that commission could be a way of muddying rather than clarifying the waters. Do I read you aright?

Mr Siddiqui: One hopes that the directorate of local governance, the independent commission, produces greater coherence, but for me it is unfortunate that the day before yesterday it refused to participate in one of the sessions which was supposed to look at the sustainability of CDCs, saying that by its participation in the national consultation process with CDCs it did not want to give legitimacy to the recommendations that would come out of the consultation process. If it is supposed to bring coherence it should actively participate in organising the consultation which brings together different ministries and members of CDCs to Kabul. Three hundred delegates are sitting there to discuss and make recommendations on how CDCs should function. Everybody - donors and civil society organisations - is there, but we learned that the independent commission on local governance was reluctant to participate, thinking that that would give legitimacy to the recommendations that came out of it and that might not fulfil its expectations. Their participation in organising the national consultation process was also missing. It has been driven very much by the Ministry of Rural Rehabilitation and Development.

Mr Page: The CDCs have emerged as a very important unit of local governance. It would be a great shame if through lack of funding or clarity that building block was not established for the future. A lot of piecemeal work is going on to build up from the bottom, which is something in which NGOs are interested. CDCs are being built into clusters so that there is a greater demand-led approach to a lot of the issues that affect them, but at the moment it is all very piecemeal. We are doing something like this in Samangan at the moment with the support of the Swiss Development Corporation. There is no clarity about this nationally. It needs a national approach. I think that now everybody

recognises that a great deal has been done to try to improve the capacity of the national government ministries, but if you go to the provinces that is where the concentration should now take place. Essentially, you have governors appointed in Kabul. There is a bit of a clash between the centralising tendency of a lot of the thinking about how to drive forward progress and the natural diversity of Afghanistan and tendency towards autonomy in a lot of these regions. Marrying up these things and working out how democracy should be implemented at that level is something that needs to be sorted out.

**Q108 Ann McKechin:** Given the changes that are taking place and the proposals for sub-national governance, where do you think the national solidarity programme should fit? What should be its role? How do you see it being developed?

Mr Page: We believe that the national solidarity programme has achieved a great deal and helped to set these building blocks. What one would like to see is a continued stream of funding, not just for two years in a particular place but thinking about how it might be funded over a much longer period. From the building block which essentially sets up these elected councils one must start to do the work of development, encouraging all sorts of initiatives to make sure that the local economy grows, education comes and so on. That is the natural focus for doing it and it would be a great shame if it was abandoned.

**Q109 Chairman:** We have discussed briefly the importance of agriculture. Mr Mansfield made it clear that one had to bring in other livelihoods as well. Specifically, what do you think can be done to improve the delivery of agricultural development? Is it a role for DFID? Is it a matter of supporting the agriculture ministry, or is there a clear role for NGOs; in other words, where is the best capacity or potential for developing that capacity?

Mr Page: Obviously, some attention needs to be paid to the agriculture ministry because that is not as effective as it should be. As far as NGOs are concerned, certainly the experience of Afghanistan is that there is a shortage of money to do the kind of work that it was doing in agriculture and in the veterinary field. I think we employ the only Afghan vet in Ghown which is one of the most important livestock provinces in that country. We find it very difficult to get funding for that work. That is an illustration of the problems. It would certainly be useful if funding could be made available for some of the frontline work that has been done which NGOs now struggle to keep going. That is one way to ensure that this kind of agriculture and veterinary development continues. If one has to wait until a great number of issues are sorted out in Kabul these projects dry up and that sends the wrong message to the people.

**Q110 Chairman:** Could DFID perform a useful role in training agricultural extension staff? We have agricultural capacity in this country which it claims is under-utilised. By pulling together those people could DFID help to develop with the agriculture ministry an extension network by training people locally in such work?

Mr Page: This is not one of the three issues which DFID regards as its priorities. If DFID was interested in doing that it would be a great advantage.

Chairman: That is one recommendation to which we are giving consideration.

**Q111 James Duddridge:** I should like to turn to the provincial reconstruction teams. In areas of relative stability what should their role be going forward? Should they be disbanded in areas of relative stability?

Ms Winter: They should certainly have an exit strategy in areas of stability. We have always argued that their main role should be to bring human security and safety to an area. If that exists then we argue there is no longer a need for them and aid and development should be done by civilian actors.

**Q112 Hugh Bayley:** In Helmand the PRT is often described as a military-led initiative, but it appeared to me to be a good solid partnership between the foreign office, the military and DFID. In Helmand where there is virtually no UN presence it is very difficult for NGOs to work, yet it is necessary to provide initiatives to improve quality of life and the rural livelihoods of people. It is very difficult to see what the alternative would be if you did not have a PRT to supplement the work that the national government agencies are doing. Do you share that view?

Ms Winter: Certainly, in an area like Helmand it is very difficult for NGOs to operate. Nonetheless, there has been some capacity in Mercy Corps and others. I think you had meetings with Nigel Pont. Clearly, you need to provide some assistance to the population and if NGOs and the Government of Afghanistan cannot do it there must be an alternative. I do not believe we argue that PRTs should not exist, but in the past we would have argued that they were second or third best to expand ISAF outside Kabul and put in real development assistance. There are now lots of discussions about what effect the military presence has per se and the lack of single command with the coalition and so on. BAAG is undertaking some research at the moment to find out information about some of these issues, particularly from local populations to gain their experience of PRTs and the stabilisation forces.

**Q113 Hugh Bayley:** How would you do that research work?

Ms Winter: We have undertaken to take on two independent specialists along with Afghan researchers to go into

three provinces and discuss with people their experience and to talk to the military, DFID and so on. It is an ongoing research initiative and we hope that the report will be published fairly soon. I understand that you will be drafting your own report before too long, so if we can give you the preliminary results of that work obviously we shall do so.

**Q114 Hugh Bayley:** You mentioned working with DFID. Are you doing field work in Helmand or not?

Ms Winter: Yes.

Mr Siddiqui: Oruzgan and Paktika are two of which I am aware.

**Q115 Hugh Bayley:** If you could provide us with information about consumer experience, as it were, of the work of PRT it would be very helpful. Having visited four sites where PRT-supported work was being done, I saw some valuable tasks being undertaken, but I had no idea how priorities were decided and in reality the extent to which local people were setting priorities. We were told that whenever work was proposed in a particular village there would be a local meeting to discuss the priorities. If your work can give some insight into how that process operates and whether it is as sensitive as it could be given the difficult working circumstances that would be very valuable.

Ms Winter: We have always said that we need a good evaluation of what work the PRTs do so we know what is valuable and can be done elsewhere as a result. Certainly, local consultation is probably fairly thin on the ground and by and large does not include women, but we will come back to you on these things.

**Q116 Chairman:** The problem is that they are patchy and variable. When we were in Mazar-e Sharif we learned that the Swedes had been very reluctant to divert their central government funding but had agreed to do so to fund a hospital. That was done just to provide visible proof that they were doing things and it was not their own preferred option.

Ms Winter: That is right.

Sir Robert Smith: The other worry in Helmand was about the decision to build a school and whether any thought had been given to the resource consequences of making it available.

**Q117 Chairman:** One of the people we met on our visit summarised the situation by saying that the problem with Afghanistan was that everything was a problem.

Ms Winter: I entirely agree.

**Q118 Chairman:** In an hour's conversation with anybody one goes from total pessimism to considerable optimism. All of these factors collide, which makes it very difficult for us to write a report but we shall do so.

Ms Winter: It is very timely and we are delighted you are doing it.

**Q119 Chairman:** If you have any further reflections that you think are helpful in the light of the exchange this morning please feel free to submit them to us so we can take them into account. Thank you very much.

Mr Page: We value the opportunity.