Annex K The Afghan context

K.1 Government structures in Afghanistan

Government structures in Afghanistan are still in the formative stage (Table 25). National level structures are very well established, provincial and village structures are established to some extent. The greatest area of weakness is the district level. At a recent round table on local governance, participants highlighted:

> …*the weakness of district structures compared to those at the provincial and village level; the confusion and complexity of different, overlapping bodies under different ministries and donor schemes; and the need to work toward a single, representative district body that can take an active role in local planning and hold ministries and the administration to account. (AREU, 2011)*

Table 25: Governance in the Islamic Republic of Afghanistan

Level of Government	Administrative system	Representative System	Development infrastructure	Judiciary
National	Presidential Office plus Line Ministries	Bi-cameral National Assembly: House of Elders, and House of the People	Various Ministries through the Afghanistan National Development Strategy (ANDS)	Supreme Court plus High Court system. National Council of Islamic Scholars (informal but influential)
Provincial	Governor's Office plus Provincial Departments of the Line Ministries	Elected Provincial Councils	Provincial Development Committee (organised by Ministry of Economy)	High Court system. Provincial Council of Islamic Scholars (informal but influential)
District	District Administration	Elected District Councils	District Development Assembly (organised by MRRD)	District courts. District Shura Council - informal
Village	Malik, Community Development Support Officer (CDSO)	Elected Community Development Councils	Community Development Councils (organised by MRRD)	No formal system. Informal system through Shura

K.2 The ROI context in Afghanistan

The ROI programme in Afghanistan operates with *de facto* four target groups that must benefit from the support of the implementing partners:

- Refugees returning to their home who seek reintegration and opportunities for new livelihoods

- Landless in shelters or settlements who are either waiting for land allocation, or have settled in spontaneous settlements

- Refugees returning either directly or through secondary displacement to urban areas to an often overburdened social infrastructure and a difficult housing situation

- The receiving communities of IDPs and refugees

In this context the numbers of returnees and the locations of return and displacement are critical information for the programme.

UNHCR estimates that a total of 6.6 million Afghans have returned between March 2002 and December 2010. Two million of these were spontaneous returns and 4.6 million were assisted to return by UNHCR. The majority of these (80%) returned from Pakistan, with almost all the rest returning from Iran. The returnees have increased the estimated Afghan population by 20%.[1] A recent survey by UNHCR found that up to 40% of all returnees have not been sufficiently reintegrated, i.e. did not have a standard of living comparable to those in the community who had not become refugees. Apart from making such groups socially and economically vulnerable, it also leads to the risk that young males (in particular) may engage in anti-social activities.

The difficulties of reintegration have led in some cases to secondary displacement to the cities, adding to the problem of urbanisation. The refugee camps in Pakistan and Iran were essentially urban settlements and those returning had already been urbanised in some cases, and moved directly to the cities on return. 815,000 refugees are expected to return to Afghanistan in the period 2009-13. The bulk of these are expected to return to the Central, East and North Region of the country including major returns to Nangarhar, Herat, Logar and Kunduz, which are all covered by the ROI programme. In addition, Kandahar, Paktya and Baghlan are major return areas, which are not specifically covered by the ROI programme.[2] UNHCR as well as NRC are in the process of preparing for an increased influx of returnees from Pakistan as the UN agreement of hosting refugees in Pakistan expires at the end of 2012. There are currently no indications that the contract will be prolonged. In addition, there were stories of harassment of registered Afghan refugees in Pakistan by the local police resulting in an increase in returns to Afghanistan.

In addition to returnees, Afghanistan has around half a million internally displaced. With increased violence in the country[3]) and the violence spreading to the west and north, protection of civilians is compromised and internal displacement escalates (as an example 12,000 people are assessed to have been displaced from Faryab province in north-western Afghanistan). The majority of IDPs are situated in the south-western part of the country, in particular in Kandahar and Helmand Provinces. There is also substantial displacement into Herat and Nangarhar as well as Kabul.[4]

To cater for the substantive number of landless as well as IDPs the Government is in the process of re-developing land allocation schemes in eight pilot sites promoted by UNHCR. Most of these sites are situated over 30 kilometres from major towns in semi-arid land, with only limited livelihood opportunities. There are currently 80,000 people awaiting land allocation in the Eastern Region alone. The demand is thus high, but interviews by the evaluation with beneficiaries and NGOs working in the sector indicate that land allocation will only become attractive if situated in areas with livelihood opportunities (see separate section in main report).

The above illustrates that Afghanistan is expected to be the centre of continued return as well as internal displacement in the short to medium terms.

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[1] UNHCR Global Appeal 2011 Update.

[2] UNHCR (2009) Map showing Estimated Population 2012-13 and Expected Return 2009-13.

[3] The United Nations Assistance Mission in Afghanistan (UNAMA) documented close to 1,500 deaths in the first six months of 2011, which is an increase of 15% from 2010. The number of civilian casualties in northern parts of the country is reported to have increased by 76% between 2009 and 2010 (UNAMA, 2011).

[4] UNHCR (2010) Map of Estimated Internal Displacement; Irinnews report from Farayab 6 June 2011; UNAMA (2011) Afghanistan Midyear Report – Protection of Civilians in Armed Conflict; Afghanistan Protection Cluster Overview on the Northern and North-Eastern Region 11 May 2011.

The primary needs of returnees as well as IDPs identified by UNHCR and the Afghanistan Protection Cluster include[5]:

- Protection (physical protection as well as access to food and water)

- Livelihood opportunities (income-generating activities)

- Access to land (legal aid, land titling and land allocation)

These needs were confirmed by the evaluation field missions to Heart and Nangarhar.

K.3 Challenges to state building in Afghanistan

Afghanistan is ranked as the third most corrupt country in the world (Transparency International, 2011). Corruptions pervades everywhere in Afghanistan (see Box 22). A series of recent seminars on the challenges of transition concluded that corruption and an ineffective rule of law pose a fundamental risk to the viability and future of the Afghan state (KAS et al., 2011, p. 4).

Box 22 Corruption in Afghanistan

A survey by the UN's Office on Drugs and Crime (UNODC) found that Afghans have to pay bribes on a routine basis when dealing with public officials and that more than half of those surveyed have had to pay at least one bribe to a public official during the previous 12 months. On average, victims of bribery reported they had to pay almost five bribes a year. Bribes have to be paid in cash three quarters of the time and the average amount of the bribes was USD 158. In 2009 Afghan citizens had to pay approximately USD 2,490 million in bribes, which is equivalent to 23% of country GDP.

As a result of the pervasiveness of such practices, many Afghans are deeply worried. 59% of the population indicated corruption as the most serious problem they faced, followed by insecurity (54%) and unemployment (52%). Corruption is perceived to be on the rise by many citizens, especially in rural areas: 80% of rural dwellers reported that corruption had significantly increased over the last five years against only 40% in urban areas (UNODC, 2011b).

The findings of this UNODC survey are very widely reflected in the literature on Afghanistan. The 2005 multi-donor study found that corruption reduced recipient satisfaction with the assistance provide by the international community (Strand et al., 2005, p. 145). The NSP evaluation found that corruption had created a cynical view of Government (Barakat et al., 2006, p. 261). The womankind review found that entry into public universities was often based on bribes rather than merit (Oates, 2008, p. 42).

Corruption also limits enterprise. A study on rural-urban migration found that a grape seller in Kabul had to pay 5% of his income as bribe to the police so that he can ply his trade. Businesses need to pay a wide range of bribes to deal with officialdom or to get licences and permits (de Mercey et al., 2006, p. 75). Even the illegal drugs trade has to pay bribes: one impact of the poppy eradication programme is that farmers have to pay bribes so that crop is not destroyed (Buddenberg and Byrd, 2006, p. 6).

Corruption can also increase support for the Taliban. In one case a murderer got a six month sentence rather than the death penalty due to paying bribes. On his release he was kidnapped and tried by the Taliban who then handed him over to the murder victim's family for justice (MoD, 2009).

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[5] UNHCR Global Appeal 2011 Update; IDMC (2011) Afghanistan: Armed conflict forces increasing numbers of Afghans to flee their homes.

The de Mercey study found that 13% of Afghan adults interviewed believed that almost all government officials were corrupt; 48% believed that most were corrupt; and 39% that some were corrupt. Not one single respondent believed that almost no government officials took bribes (p. 58).

A recent survey in Kandahar and Helmand found that the most commonly cited important issue as a source of local grievance among respondents was corruption in the Afghan National Police (Dennys and The Peace Training and Research Organization, 2011, p. 11). The same survey found that the most important problems with the Government in Kabul that were cited most frequently were corruption, followed by the inability or unwillingness to provide swift and impartial injustice (p. 10).

Corruption in Afghanistan is not limited to the Government. A study by the UN House of Representatives found that corrupt payments by transport contractors for the US Military were a significant potential source of funding for the Taliban (US House of Representatives, 2010, p. 34).

Another challenge to state building is the opium poppy. This is a major challenge to state building itself both directly (Koehler and Coordination for Afghan Relief, 2005, p. 1) and indirectly through corruption in counter-narcotics operations (Buddenberg and Byrd, 2006, p. 20; Goodhand and Mansfield, 2010, p. 35)

Box 23 Afghanistan's principal export: opium, and a potential alternative

Afghanistan is the world's largest producer of opium. Production for 2011 was estimated at 5,800t. The opium sector remains Afghanistan's largest source of export earnings (although unrecorded) (Buddenberg and Byrd, 2006, p. 25). Other exports are negligible (World Bank, 2011).

Despite an enormous international investment in counter narcotic operations, opium poppy production is currently growing in Afghanistan (UNODC, 2011a). Many reports blame the Taliban for increased poppy production, although it was the Taliban in 2000 that effectively banned poppy production and reduced production in 2000/2011 to 1% of the production in the previous year, in what "may have been the most effective drug control action of modern times" (Farrell and Thorne, 2005).

During the Taliban ban on opium production the 5% of the country controlled by what was then Northern Alliance, and is now the Government of Afghanistan, produced nearly eight times as much opium as the 95% of the country controlled by the Taliban (Farrell and Thorne, 2005, p. 86). There are frequent accusations that senior Afghan Government figures are involved in the opium trade (Schweich, 2008). It is hardly surprising that the current control campaign is not working (Firewicz, 2009).

Saffron is the world's most expensive spice. Its cultivation is being promoted heavily as an alternative to opium poppy (DACAAR, 2010b; Leeder, 2011). Conditions for Saffron production are ideal in the West and South of Afghanistan, and neighbouring Iran produces about 90% of the world supply (Ghorbani, 2008). Among other things, it is suggested that saffron production provides employment opportunities for women. This is true, but women are also very involved in poppy cultivation (Lyby, 2006; Olesen et al., 2005).

The evaluation was told in Herat that saffron sells at USD 1,500/kg. This is significantly more that the farm gate price of opium – USD 241 in 2011 (UNODC, 2011a). However, this comparison ignores the respective yields. Poppy cultivation in Afghanistan in 2011 yielded 44.5 kg/ha (up from 29.2 kg/ha in plant-disease plagued 2010) whereas saffron production is unlikely to be very different from the 4.2 kg/found in neighbouring Iran (Noorbakhsh, 2009) and could be as low as the 2-2.5 kg/ha seen in Morocco (New Zealand Institute for Crop & Food Research, 2003). Thus the potential income per hectare from saffron is less than two thirds that of poppy.

Saffron cultivation demands a large investment. Saffron corms are very expensive when compared to poppy seeds, as you need several tonnes per hectare rather than a few kilograms. While poppy is an annual crop and can be harvested a few months after planting (DEA, 2001) it can take three years before saffron (planted at the typical densities in Afghanistan) yields a good crop. Opium requires little water but can quickly exhaust the soil, while saffron uses only small amounts of nutrients from the soil but requires irrigation in September to induce the flowering (DACAAR Herat, 2008).

However, there is a well-developed local market for opium against a much less developed market for saffron. Legitimate markets in Afghanistan are subject to the heavy weight of corruption (Box 22). In reality the decision to grow poppy is not based on such simple economics but on a much more complex set of factors including the lack of real options for many rural families (Pain, 2011, p. 5).

The suggestion that saffron production can replace opium is based on a narrow analysis and a disregard of the complexity of the context that is all too common in initiatives in Afghanistan (Kantor and Pain, 2010b).

K.4 The role of land in conflict in Afghanistan

Land has been a common source of conflict at community levels and UNHCR told the evaluation that conflicts over land were a common reason given by returnees for not returning to the land of origin. IDPs in Herat told the evaluation that two member of their community had been killed in recent months when they returned to the original homes. The dispute was over land. Part of the problem with land in Afghanistan is that different parties may have claims on a given piece of land due to the chequered history of land and property ownership (Box 24).

Box 24A Brief History of Land and Property Ownership

Note: Drawn from Reed and Foley (2009, p. 28).

Land issues in Afghanistan are particularly difficult because of the history and the mix of different legal systems (customary, Sharia, and the various national laws at different times).Many cases in both formal and informal justice systems deal with the discrepancies and perceived rights and land transfers that were manifested in former administrations and regimes.

The recent history of land ownership included the following:

- *1965. A cadastral survey aiming to acquire all land statistics of the country is started but never completed, and no title deeds were ever issued. Based on a subsequent 'self reporting system', expansion of government land took place on what was formerly regarded as communal.*

- *1978. The communists seize power and Soviets intervene in 1979.*

- *Land Reform Decree #8 of 1980 declared that any land over 30 jeribs (approximately 6 ha) owned by one person would be expropriated and some redistributed to the poor by the Government.*

- *1987. President Najibullah restores the right to private property in a new constitution and the seized land is returned to original owners or compensation paid. The Mujahedeen started occupying urban land which belonged to the Soviets.*

- *1992. The Mujahedeen seize Kabul, a new constitution proclaims Afghanistan to be an Islamic State, civil war ensues and many people were driven from their land. Large areas of land in the North are seized and sold to warlords.*

- *1996. The Taliban capture Kabul and dispense with the constitution, issuing a series of edicts regarding land relations, which aimed at reversing the Soviet-era reforms and restoring order after the chaos that had prevailed under the Mujahedeen. Reportedly, at this stage there were numerous forgeries of documents and illegal changes made to archives, which has caused many of the present property disputes.*

- *2001. The Bonn Agreement specifies that a Judicial Commission be established to rebuild the domestic justice system in accordance with Islamic principles, international standards, the rule of law and Afghan legal traditions. However, housing, land and property rights were not specifically addressed in any of the international agreements that created governance institutions in Afghanistan, presumably because it was felt that this could better be done at a national level.*

- *2002. Presidential Decree (No. 99) on Non-Distribution of Intact and Uncultivated State-Owned Land instructs all Ministries and governmental institutions are directed they should not distribute State-owned land for building houses or any other purpose.*

Annex L Direct and indirect costs definitions

The following definitions of direct and indirect costs have been developed by the Gates Foundation to assist grant application as the "definition of direct and indirect costs is subject to some interpretation".

Indirect costs are overhead expenses incurred by the applicant organisation as a result of the project but that are not easily identified with the specific project. Generally, indirect costs are defined as administrative or other expenses that are not directly allocable to a particular activity or project; rather they are related to overall general operations and are shared among projects and/ or functions. Examples include executive oversight, accounting, grants management, legal expenses, utilities, technology support, and facility maintenance. The foundation's position is that, whenever possible, specifically allocable costs of an applicant organization's project should be requested and justified in the proposal as direct costs, including those for dedicated on-going project management, facilities, and support (Bill and Melinda Gates Foundation, 2010).

Table 26: Gates Foundation clarification on direct and indirect costs

Direct Costs	Indirect Costs

1) Salaries of employees directly attributable to the execution of the project
   i) Includes Project Management
   ii) Includes administrative support solely dedicated to the project
2) Fringe benefits of employees directly attributable to the execution of the project
   i) Includes Project Management
   ii) Includes administrative support solely dedicated to the project
3) Travel for employees directly attributable to the execution of the project
4) Consultants whose work is directly attributable to the execution of the project
5) Supplies directly attributable to the execution of the project
6) Sub-awards directly attributable to the execution of the project
7) Sub-contracts directly attributable to the execution of the project
8) Equipment acquired for and directly attributable to the execution of the project
9) Facilities newly acquired and specifically used for the grant project (excludes existing facilities). Examples include:
   i) A new field clinic
   ii) New testing laboratories
   iii) Project implementation unit office
10) Utilities for facilities acquired for and directly attributable to the execution of the project
11) Information technology acquired for and directly attributable to the execution of the project
12) Internal legal and or accounting staff and/or external legal counsel or accountants directly attributable to the project
	1) Facilities not acquired specifically and exclusively for the project (e.g. Foundation, Institute, or University headquarters)
	2) Utilities for facilities not acquired for and not directly attributable to the project
	3) Information technology equipment and support not directly attributable to the project
	4) General administrative support not directly attributable to the project. Examples are as follows:
	   i) Executive administrators
	   ii) General ledger accounting
	   iii) Grants accounting
	   iv) General financial management
	   v) Internal audit function
	   vi) IT support personnel
	   vii) Facilities support personnel
	   viii) Scientific support functions (not attributable to the project)
	   ix) Environment health and safety personnel
	   x) Human resources
	   xi) Library & information support
	   xii) Shared procurement resources
	   xiii) General logistics support
	   xiv) Materiel management
	   xv) Executive management (CEO, COO, CFO, etc.)
	   xvi) Other shared resources not directly attributable to the project
	   xvii) Institutional legal support
	   xviii) Research management costs
	5) Depreciation on equipment
	6) Insurance not directly attributable to a given project