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## **DRAFT REPORT**

on a new strategy for Afghanistan (2009/2217(INI))

Committee on Foreign Affairs

Rapporteur: Pino Arlacchi

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## PR\_INI

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

# on a new strategy for Afghanistan (2009/2217(INI))

The European Parliament,

- having regard to its previous resolutions on Afghanistan, in particular its resolutions of 8 July 2008 on the stabilisation of Afghanistan<sup>1</sup>, of 15 January 2009 on the budgetary control of EU funds in Afghanistan<sup>2</sup>, and of 24 April 2009 on women's rights in Afghanistan<sup>3</sup>,
- having regard to the EU-Afghanistan joint political declaration signed on 16 November 2005, which is based on shared priorities for Afghanistan such as the establishment of strong and accountable institutions, security and justice sector reform, counter-narcotics, development and reconstruction,
- having regard to the Afghanistan Compact of 2006, which set out the Afghan
  Government's three main areas for activity for the subsequent five years: security;
  governance, rule of law, human rights; and economic and social development, as well as a
  commitment to the elimination of the narcotics industry,
- having regard to the London Conference on Afghanistan held in January 2010, where the international community renewed its commitment to Afghanistan, and which laid the foundations for an international consensus on a strategy entailing a 'non-military' solution to the Afghan crisis, as well as establishing that the transfer of security responsibilities to Afghan forces would begin in 2011 and be largely completed by 2014,
- having regard to the proposed 'Peace and Re-integration Trust Fund' to which London Conference participants pledged an initial sum of USD 140 million, with the aim of integrating Taliban and other insurgents,
- having regard to Afghanistan's National Consultative Peace Jirga held in Kabul at the beginning of June 2010, which set out to find a national consensus on the issue of reconciliation with enemies,
- having regard to the (forthcoming) 'Kabul Conference' scheduled for 20 July 2010, which will assess progress in implementing decisions taken at the London Conference, and will provide an opportunity for the Afghan Government to chart the way forward, notably on anti-corruption, reinforced security, good governance, economic and social development, human rights, gender equality, economic growth, and improved electoral processes,
- having regard to the presidential elections held in Afghanistan in August 2009, to the final report of the EU Election Observation Mission published in December 2009, and to the forthcoming parliamentary elections due in autumn 2010,

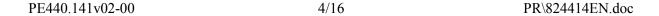
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<sup>&</sup>lt;sup>1</sup> OJ C 294E, 3.12.2009, p.11.

<sup>&</sup>lt;sup>2</sup> OJ C 46E, 24.2.2010, p.87.

<sup>&</sup>lt;sup>3</sup> Texts adopted, P6 TA(2009)0309.

- having regard to all the relevant Council conclusions, and, in particular the GAERC conclusions of 27 October 2009 and the Council's Action Plan for Enhanced Engagement in Afghanistan and Pakistan, as well as to the Foreign Affairs Council conclusions of 22 March 2010.
- having regard to the appointment, as of 1 April 2010, of a 'double-hatted' EU Special Representative/Head of EU Delegation to Afghanistan,
- having regard to the Council declaration of 18 May 2010 extending the European Union Police Mission in Afghanistan (EUPOL Afghanistan) for three years, from 31 May 2010 to 31 May 2013,
- having regard to the Country Strategy Paper for 2007-2013 which sets out the EC's commitment to Afghanistan until 2013,
- having regard to the general budget of the European Union for the financial year 2010,
- having regard to the United Nations' 2009 Human Development Report, which ranks Afghanistan 177th out of 178 countries,
- having regard to Afghanistan's own National Risk and Vulnerability Assessment
   2007-2008 and its estimates that the cost of eliminating poverty in Afghanistan by lifting all those below it up to the poverty threshold would be some USD 570 million,
- having regard to the 2008 report by the Agency Coordinating Body for Afghan Relief (ACBAR), 'Falling Short Aid Effectiveness in Afghanistan', which highlights the vast sums of aid ending up as corporate profits for contractors (which can reach 50% per contract), the minimal transparency in procurement and tendering processes, and the high cost of expatriate salaries and allowances,
- having regard to the recommendations of the Peace Dividend Trust, which advocate an 'Afghan first' policy, encouraging local Afghan procurement of goods and services, as opposed to importing them, with the aim of benefiting Afghans first and foremost,
- having regard to the new US and NATO strategy for Afghanistan, initiated under the command of General Stanley McChrystal and now taken over by General Petraeus,
- having regard to the US Congressional Majority Staff report entitled 'War Lords Inc: Extortion and Corruption Along the US Supply Chain in Afghanistan' (Committee on Oversight and Government Reform, US House of Representatives, June 2010),
- having regard to the work of the United Nations Office for Drugs and Crime (UNODC) and, in particular, its October 2009 report on 'Addiction, Crime and Insurgency the transnational threat of Afghanistan opium',
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Foreign Affairs and the opinion of the Committee on Development (A7-0000/2010),





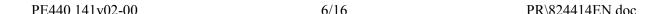
- A. whereas the international community has implicitly recognised that nine years of war and international involvement have not succeeded in eliminating the Taliban insurgency and bringing peace and stability to the country,
- B. whereas an impasse has been reached in Afghanistan: a coalition of occupying powers in place but unable to defeat the Taliban, and an insurgency movement unable to prevail against these military forces; and whereas there is no obvious end in sight,
- C. whereas security conditions have deteriorated, along with the popular consensus the coalition's presence enjoyed at one stage,
- D. whereas under the 2006 Afghanistan Compact, donors agreed to channel an increasing proportion of their assistance through the core government budget, either directly or through trust fund mechanisms, wherever possible, but whereas the action plan for assistance envisages 77 benchmarks for Afghanistan to meet and none whatsoever for donors.
- E. whereas, with regard to the EU aid contribution to Afghanistan, Carl Bildt, in his capacity as Council President, stated before Parliament's Committee on Foreign Affairs in December 2009 that 'We have no idea what the Union as a collectivity is doing in Afghanistan... We are spending more than a billion euros a year..., virtually uncoordinated',
- F. whereas between 2002 and 2009 a sum of over USD 40 billion in international aid was channelled towards Afghanistan but whereas, according to UNICEF estimates, 59% of Afghanistan's children under the age of five do not get enough to eat, and five million children are unable to attend school,
- G. whereas in July 2010 the US Congress called for an audit on billions of dollars of past funding for Afghanistan and voted to provisionally cut almost USD 4 billion in aid to the Government of Afghanistan,
- H. whereas Afghan Finance Minister Omar Zakhilwal has blamed foreign contractors for taking the bulk of the USD 4 billion which has reportedly left the country in recent years and has called for an international investigation,
- I. whereas the US has stated that it will start to withdraw its troops from Afghanistan in summer 2011; whereas other countries have either already withdrawn or are making plans to do so imminently,
- J. whereas the London Conference stipulated that the Afghan police force should go from its current 94 000 strength to 134 000 by the end of 2011 and to 160 000 within five years,
- K. whereas the main objective of the EUPOL Afghanistan mission is to contribute to the establishment of an Afghan police system in accordance with international standards,
- L. whereas Afghanistan is the world's leading source of opium production, and the main supplier to the EU and the Russian Federation,

- M. whereas the EU has played an active role in supporting counter-narcotics efforts from the outset of the reconstruction process,
- N. whereas some poppy eradication in Afghanistan has been carried out using chemical herbicides, and whereas this practice results in serious harm to people and to the environment in terms of soil and water pollution,
- O. whereas Afghanistan is believed to have vast mineral reserves, including oil, estimated at a value of USD 3 trillion, which could in turn greatly boost the country's economic development,

## A new EU strategy

- 1. Is aware of the set of factors hampering progress in Afghanistan but, given space constraints, has chosen to focus in this report on four main elements where, it believes, efforts expended will result in very significant improvements that could turn the course of events: international aid; implications of the peace process; impact of police training; elimination of opium cultivation through alternative development;
- 2. Believes, therefore, that a new EU strategy for Afghanistan will have to take as its starting point two premises: an acknowledgement of the continuing deterioration in security and socio-economic indicators in Afghanistan despite almost a decade of international involvement and investment; and the need to encourage a profound shift in the mindset of the international community, which has all too often in the past shaped plans and decisions with scant regard for Afghan involvement;
- 3. Stresses that any long-term solution to the Afghan crisis will involve the elimination of poverty, an end to opium production, and the integration of Afghanistan into the international community;
- 4. Reiterates that the EU and its Member States should support Afghanistan in the construction of its own state, with stronger democratic institutions capable of ensuring national sovereignty, state unity, territorial integrity, sustainable economic development and the prosperity of the people of Afghanistan, and respecting the historical, religious, spiritual and cultural traditions of all ethnic and religious communities in Afghan territory;
- 5. Is concerned about the deterioration in women's fundamental political and civil rights in Afghanistan, as well as by the recent changes to the electoral code which weaken the quotas for seats in parliament for women;
- 6. Strongly believes that women's rights are part of the security solution it is impossible to achieve stability in Afghanistan without women enjoying their full rights in political, social and economic life; calls on the Afghan authorities to include women in every stage of the peace talks and reconciliation/reintegration efforts;
- 7. Calls on the EU and the international community to increase the level of funding and support for Afghan women and women's organisations;

## International aid – use and abuse



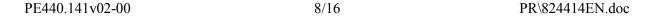


- 8. Recalls that the combined EU (European Community and Member States) budget for aid to Afghanistan for the period 2002-2010 totalled around EUR 8 billion;
- 9. Notes that, despite the huge injections of foreign aid, more Afghans are dying through poverty than as a direct result of the armed conflict, and that, shockingly, since 2002 infant mortality has risen, and life expectancy at birth and levels of literacy have declined markedly; since 2004, the population living below the poverty threshold has increased by 130%;
- 10. Stresses that these disappointing indicators are not compensated for by the limited progress made in infrastructure, telecommunications and basic education usually cited as achievements by donors and the Afghan Government;
- 11. Equally, draws attention to the huge cost of the war prosecuted in Afghanistan from 2001 to 2009, estimated at over USD 300 billion and equivalent to more than 20 times Afghanistan's GDP, and which, with the additional military 'surge' foreseen, is set to rise to over USD 50 billion per year;
- 12. Notes that the cost of eliminating poverty in Afghanistan is equivalent to the cost of five days of warfare;
- 13. Notes, too, that the cost of waging war for one week would provide 6 000 schools, enough to ensure a future without illiteracy for all children in Afghanistan;
- 14. Points out that, contrary to the widespread perception that Afghan Government corruption is responsible for the lack of provision of essential services to its citizens, the majority of resources for socio-economic development have been channelled through international organisations, regional development banks, NGOs, international contractors etc., and not through the central government;
- 15. Notes that according to the Afghan Minister of Finance, as corroborated by other independent sources, only USD 6 billion (or 15%) of the USD 40 billion in aid in fact reached the government between 2002 and 2009; and that, of the remaining USD 34 billion, which has been channelled through international organisations, between 70% and 80% has never reached the intended beneficiaries, the people of Afghanistan;
- 16. Is appalled by the absence of coordination among international donors and of detailed evaluations on the impact of the international civilian and military intervention, by the lack of transparency and by the limited mechanisms for donor accountability;
- 17. Deplores the fact that a significant proportion of European and other international aid money is lost in the course of the distribution chain, and draws attention to the four main ways this happens: waste, excessive intermediary and security costs, overbilling and corruption;
- 18. Notes, however, that EU losses are mitigated by the fact that 50% of its aid is allocated through multilateral Trust Funds (as opposed to 10% in the US case), whose effectiveness is very high (around 80%);

- 19. Calls on the EU to set up a centralised database on/analysis of the costs and impact of all EU aid to Afghanistan, for without comprehensive, up-to-date and transparent data about Afghanistan as it is today, any intervention strategy can only be doomed to failure;
- 20. Calls, too, on all the main humanitarian and development bodies active in Afghanistan (from EU Member States and the US to the UNDP and UNOPS, and from the World Bank to the main NGOs) to drastically prune their operating expenses by allocating funds (at least 80% more than at present) directly to Afghan institutions;
- 21. Recognises the potential for local corruption but believes that this will be outweighed by the strengthened legitimacy the Afghan State will gain by being responsible for implementing aid and by ensuring that aid effectiveness indicators and effective monitoring mechanisms, agreed upon by *both* donors *and* the Afghan Government, are in place;
- 22. Advocates a policy of increasing procurement within Afghanistan itself wherever possible rather than importing goods or services;
- 23. Notes that, as widely reported in the press and in the US House of Representatives report 'Warlord, Inc.', the US military in Afghanistan has outsourced most of its logistics to private contractors, who in turn subcontract the protection of military convoys to local Afghan security providers, with disastrous consequences;
- 24. Notes that the decision to place the US military supply chain in private hands is fuelling extortion and corruption, as warlords, local mafia bosses and ultimately Taliban commanders end up taking a significant share of the USD 2.2-3 billion business of military logistics in Afghanistan; notes that this amount surpasses the funding going to the Taliban from their 'taxation' of the narcotics industry (calculated by the UN at 15% of their war budget);
- 25. Is appalled by the fact that protection money and extortion at every level of the military supply chain is the most significant source of funding for the insurgency, as recognised by US Secretary of State Hilary Clinton in her testimony before the Senate Foreign Relations Committee in December 2009;
- 26. Is equally appalled by the fact that, since US and NATO military logistics follow similar lines, European taxpayers could end up funding the Taliban through the very entities that are supposed to combat them;
- 27. Urges, therefore, NATO and all coalition forces in Afghanistan to return to a situation whereby they provide their own military supply chain, as soon as practicable;

#### The peace process

28. Believes that much of the blame for the present impasse in Afghanistan rests with early miscalculations by coalition forces who foresaw a speedy military victory over the Taliban and an easy transition to a stable country run by a legitimate government with strong Western backing;



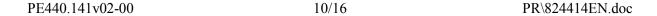


- 29. Believes, consequently, that the real strength of the Taliban was overlooked, the ability of the Karzai government to provide governance overestimated, and little attention paid to the task of rebuilding and developing the country;
- 30. Fears that these errors have fuelled the resurgence of the Taliban in over half the country, exacerbating the deterioration in security;
- 31. Believes, too, that this, plus the poor performance of international aid and of the Afghan government in delivering it, and the increased use of lethal force by coalition troops, has further alienated ordinary Afghans;
- 32. Recognises that the only possible solution is a political one, and that negotiations with the Taliban which should take place against the backdrop of a ceasefire lie at the heart of this process, with the aim of forming a government of national unity which can put an end to the civil war that has raged in the country for almost three decades;
- 33. Firmly believes that the EU's three main prerequisites for the peace process must be an Afghan commitment to banishing Al Qaeda from the country, the elimination of poppy cultivation, and the will to establish respect for fundamental human rights;
- 34. Believes, too, that all other issues should be left to the will and capacity of the Afghan people themselves;
- 35. Recognises that the Taliban are not one single uniform entity: there are at least 33 top leaders, 820 mid-level/junior leaders, and 25 000 36 000 'foot soldiers' distributed among 220 communities, some fighting for ideological, others for monetary, reasons;
- 36. Is aware of different views among key players on what form negotiations should take and how inclusive they should be, and expects further elaboration of this at the forthcoming Kabul Conference;
- 37. Stresses the key role of Pakistan in the process, as there is no incentive for the Taliban to undertake any serious negotiations as long as the Pakistan border remains open to them;
- 38. Is aware, too, of the close involvement of the Pakistan Intelligence Service(ISI), which is intent on making sure Pakistan also gets a satisfactory outcome from any peace dividend;
- 39. Stresses, however, that for peace to be allowed to take root in Afghanistan will require all its neighbours to agree to a common position of non-interference;
- 40. Calls on the EU to support the peace process unreservedly, allowing the Karzai Government full autonomy in its choice of dialogue partners, but insisting that the Afghan Constitution and respect for fundamental human rights form the overall legal and political framework for the peace process;
- 41. Cannot stress strongly enough the need for a much more active EU role in the reconstruction and development of Afghanistan, as no *lasting* peace is possible without significant poverty reduction and sustainable development;
- 42. Urges the EU to encourage the US to move away from its policy of circumventing

- domestic institutions in the delivery of international aid and the privatisation of security, as well as its parallel and seemingly contradictory (to the peace process) attempt to 'decapitate' the insurgency leadership using drones and US Special forces, which is of questionable legal status and results in frequent civilian casualties;
- 43. Points out that the EU Member State military presence in Afghanistan has the objective of combating the threat of international terrorism and tackling the fight against drug cultivation and trafficking;
- 44. Stresses that this presence is totally unrelated to recent plans by the Afghan Government to exploit its potentially vast mining and minerals industry;
- 45. Stresses, too, that these resources belong exclusively to the people of Afghanistan, and that 'protection' of these assets can never be used as an excuse for the permanent presence of foreign troops on Afghan soil;

## **Police training**

- 46. Notes that there can be no stability or peace in Afghanistan without guaranteeing security for its citizens, and that part of the Taliban's early success in establishing themselves was due to an ability to maintain order and security;
- 47. Stresses that Afghanistan must be provided with a police force capable of ensuring a minimal standard of security able to permit a subsequent withdrawal of the foreign military presence from the country;
- 48. Draws attention to the many different police training missions present on the ground, and to the funding being invested in police training, with little to show for it;
- 49. Believes that the vagueness of EUPOL's remit and the uncertainty of its achievements to date prevent it from acquiring the legitimacy it deserves;
- 50. Notes from ISAF sources that of the 94 000 men in the Afghan National Police almost 90% are illiterate, 20% are drug users, and over 30% go missing after a year, not to mention the 1 000 or so killed in service every year;
- 51. Believes that one of the main factors behind the ineffectiveness of overall training has been the practice, predominantly by the US, of relying on private contractors to train the police;
- 52. Notes that, while the EU and its Member States do not share the US approach, their commitment to the creation of a professional Afghan police force risks being compromised by the prevalence of practices such as the 'fast-track' approach (poor vetting of recruits, six weeks of training with no textbooks because of trainee illiteracy, minimal field training, recruits then given a badge, uniform and gun and sent out on patrol) implemented by a few big US security companies;
- 53. Is equally disturbed to learn of the poor financial controls being applied to these private companies, and cites a 2006 joint US Defense and State Department report, whose





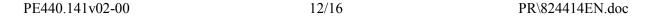
findings are still valid today, which found that the police force in Afghanistan was incapable of carrying out routine law enforcement work and that no effective field training programme existed; acknowledges General McChrystal's attempts, during his tenure, to exercise some degree of control over the private foreign militias operating with impunity in Afghanistan;

- 54. Recommends unequivocally, therefore, that responsibility for police training no longer be carried out by private contractors;
- 55. Proposes that a large-scale training programme be launched and placed, in the first instance, under NATO command, and that EUPOL and national police mission staff be integrated into this new training mission, thereby eliminating duplication, waste and fragmentation;
- 56. Recommends that salaries for the Afghan police be increased and that the whole recruitment process be reviewed, only admitting recruits with a basic standard of literacy, who are not drug users and are better qualified psychologically and physically than the present cohort;

## **Narcotics**

- 57. Recalls that Afghanistan is the source of 90% of the world's illicit opium, and yet that when coalition forces entered Kabul in 2001, no opium poppies were being grown in Afghanistan owing to the UN's success in getting the Taliban to impose a ban on their cultivation in the 90% of the country under their control;
- 58. Opines that a large, well-resourced military force should, subsequently, have found it easy to sustain this opium-free situation through local agricultural development projects, protected by its troops against the Taliban and local warlords;
- 59. Notes, however, that the opium problem was not considered a priority by the Bush Administration, which preferred to cooperate with the warlords in the name of the war on terror;
- 60. Notes that, as a result of the impunity given to growers and traffickers, within two years cultivation reached pre-2001 levels, with a small number of powerful warlords running a huge cartel;
- 61. Points out that, despite an earlier dip in prices caused by excessive production, in 2009 trade in narcotics totalled USD 3.4 billion and the potential gross export value of opium was 26% of Afghanistan's GDP, with around 1.6 million Afghans (6.4% of the population) said to be involved in the illicit narcotics industry;
- 62. Draws attention, however, to the findings of a recent UNODC report, whereby the Taliban only capture 4% of the annual narcotics trade, and local farmers 21%, with 75% going to government officials, the police, local and regional brokers, and traffickers; in short, notes that NATO allies are in fact getting the lion's share of the profits from the drugs trade;
- 63. Notes that between 2001 and 2009 the US and the international community spent USD

- 1.61 billion on counter-narcotics measures without having any significant impact on production and trafficking, and recalls Richard Holbrooke, US Special Representative for Afghanistan and Pakistan, describing US counter-narcotics efforts in Afghanistan to date as 'the most wasteful and ineffective programme I have seen in and out of government';
- 64. Regrets the paucity of efforts to phase out opium cultivation in Afghanistan through the provision of viable alternative livelihoods;
- 65. Notes successful attempts to phase out opium cultivation in Pakistan, Laos and Thailand through its replacement by alternative crops; take note also of the emergence in Afghanistan of promising new crops, such as saffron, that can deliver a much higher income than opium poppies;
- 66. Notes that a similar process of phasing out opium poppy cultivation could be envisaged for Afghanistan at a cost of EUR 100 million per year by specifically earmarking 10% of the EU's annual aid to the country for a period of five years;
- 67. Calls for a five-year national plan for the elimination of illicit opium crops, with specific deadlines and benchmarks, to be implemented through a dedicated office with its own budget and staff;
- 68. Stresses that this office should be directly responsible to the Afghan President, employ Afghan staff and be headed by a figure who has the trust of both the President and the international community, the latter to provide technical assistance;
- 69. Stresses that this plan should be promoted through cooperation between the EU and the Russian Federation, the latter being the major victim of Afghan heroin and the second-largest world opioid market after the EU;
- 70. Calls on the Government and Parliament of Afghanistan to enact specific legislation aimed at prohibiting all eradication practices that may involve the use of non-manual and non-mechanical means;
- 71. Instructs its President to forward this resolution to the Council and the Commission, the Secretary-General of the United Nations and the Secretary-General of NATO, and the governments and parliaments of the Member States and of the Islamic Republic of Afghanistan.





## **EXPLANATORY STATEMENT**

#### **General Comments**

The report before you is based on the extensive consultations your rapporteur has been engaged in over the past six months on the situation in Afghanistan and its relations with the international community, in an attempt to explain why so little has been achieved in Afghanistan in spite of the huge amounts of money and effort expended over the past nine years. The gap between hope and reality in Afghanistan has become more striking than ever, and a new EU strategy in that country should thus start from this premise.

Your rapporteur has decided to focus exclusively on four areas where, he believes, targeted action could bring about real changes: **international aid, the implications of the recently launched peace process, the impact of police training, and the elimination of opium cultivation**.

These have emerged as the key issues during the rapporteur's research, in the course of which he met with various ministers in the Government of President Karzai as well as the President himself, the speakers of the upper and lower parliamentary chambers, ISAF commanders, representatives of international organisations, Ambassadors of neighbouring countries, and former leaders of the previous Taliban Government; he undertook field visits to projects in Herat run by PRTs (Provincial Reconstruction Teams) and by international co-operation organisations. In Europe and the United States your rapporteur consulted with Ambassadors, or their representatives, of countries involved in Afghanistan, international NGOs, and with members of the US Congress.

After nine years of international involvement, things have yet to improve significantly in Afghanistan – security has deteriorated and the key socio-economic indicators are extremely disappointing. Linked to this is the fact that far too often decisions have been taken without there being sufficient Afghan involvement, and foreign entities, whether military or civilian, have operated in ways perceived by the Afghans as disrespectful and high-handed. The central tenet of this report is, therefore, the need to bring about the conditions which will allow for a swift "Afghanisation" of the Afghan crisis, with the goal of achieving a stable government, supported by the international community, and focussing all efforts on socio-economic development. It therefore makes a case for the EU to lead an international effort in treating Afghanistan as a sovereign state and no longer as a kind of "no man's land".

#### International Aid

Afghanistan's most serious problem is poverty. It is startling to realise that many more Afghans are dying because of poverty than as a result of the armed conflict: maternal mortality claims over 25 000 lives per year, as opposed to "only" 2 186 civilians killed between January and November 2009, and more than half of the country's population lives below the poverty threshold, and all this against the backdrop of the large amounts of international aid pouring into Afghanistan.

So what exactly is going wrong? First of all, it has been extraordinarily difficult to obtain

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reliable data on the modalities and impact of the international civilian and military intervention so far, and this remains a major stumbling block to understanding what is going on in Afghanistan today. Equally, there is a marked absence of co-ordination and communication among donors let alone between donors and the supposed beneficiaries, the Afghans. In a recent meeting in Kabul, the Minister of Finance lamented to your rapporteur that the Government has received no information whatsoever on around one third of the international assistance spent in Afghanistan since 2001. Other interlocutors have voiced similar complaints.

The United States has started to collect, if belatedly, relevant data on aid and its impact through its Special Inspector General for Afghanistan Reconstruction (SIGAR), and this is to be welcomed. The EU, for its part, is urged to set up a comprehensive database on and analysis of all EU aid to Afghanistan, with a view to having in place greater transparency and mechanisms for holding donors fully accountable.

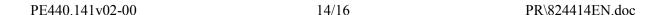
Numerous studies, including a 2007 report by the Peace Dividend Trust, "Afghanistan Compact Procurement Monitoring Project", have concluded that by far the greatest local economic impact (around 80%) is achieved when resources are provided directly to the government as opposed to funding to (intermediaries such as) international companies or NGOs (less than 20%). And yet the widespread practice of channelling most of the aid through a plethora of international organisations, IFIs, regional development banks, NGOs, private contractors and not through central government continues, and much of the aid tends to be lost at different points along the supply chain. Vast sums are lost in fees (which can be as high as 50% per contract) to contractors and sub-contractors; high salaries and generous allowances for expatriates working for consultancies and contractors absorb further amounts.

Your rapporteur therefore argues for a "re-focussing" of the way aid reaches Afghanistan, proposing that much more of the aid should be channelled directly through Afghan institutions rather than through international co-operation and development bodies.

While local corruption is clearly a concern, international attention has tended to focus on this rather than on its own failures. Corruption is corruption, wherever it originates, but it should be recalled that no more than 15% of international aid passes through the hands of Afghan central government: as such, local corruption constitutes at most 7.5% - 9% of total civilian aid given to Afghanistan. This issue should in any case be addressed through aid effectiveness indicators and strengthened monitoring mechanisms to be agreed on by both donors and the Afghan Government; the added legitimacy the Afghan Government will gain by being responsible for implementing aid, and being seen to do this, will also be a mitigating factor in tackling local corruption.

## The Peace Process

Notes that the Karzai Government has in the past set out a basic outline of what a peace process for Afghanistan should involve, but that it is only since the London Conference that specific elements have begun to emerge, including the intention to start talks with the Taliban and an agreement among more than 70 countries to create a trust fund (of roughly USD 1 billion over a period of five years) to help integrate Taliban and other insurgents.



At present two parallel approaches appear to be taking place: talks between a broad spectrum of Taliban, from Mullah Omar to the foot soldiers, and the Karzai Government, Pakistan and the United Nations on the one hand, and between ISAF and the US Department of State and mid- to low-ranking Taliban (half of the 820 mid-level/junior leaders and the most of the foot soldiers, who would be prepared to lay down their arms and reintegrate into local communities) on the other. At the time of writing, the US Administration is still undecided about whether to go along with the former approach, but it is likely that after the summer military offensive, President Obama will take a clearer decision on the issue.

It is your rapporteur's firm belief that the EU should strongly support the peace process, allowing the Karzai Government autonomy in its choice of dialogue partners, but insisting on three main pre-requisites: an Afghan commitment to banishing Al Quaeda from the country, the elimination of poppy cultivation, and the will to establish a basic respect for fundamental human rights. All other issues should be left to the Afghan people themselves to determine.

## Police Training

The London Conference established that the transfer of security responsibilities to Afghan forces would begin in 2011 and be largely completed by 2014. The main instrument for increasing the Afghan state's ability to deliver security to its citizens is the expansion of its army to 171 000 soldiers, and from the current 94 000 to 134 000 police by the end of 2011, with a final objective of 240 000 and 160 000 respectively within five years.

These goals are very difficult to attain, and should be substituted by targets both more realistic and qualitative in nature. Merely expanding existing parameters (the "more of the same" approach) without undertaking substantial changes in the training, organization, and relations of the police with parallel judicial institutions will do little to improve Afghan security.

Five years after the fall of the Taliban, a joint US Defense Department and US State Department report found that the police in Afghanistan were incapable of carrying out routine law enforcement work. The report also concluded that managers of the USD 1.1 billion training programme (now said to account for USD 6 billion) could not say how many officers were actually on duty or where thousands of trucks and other pieces of equipment had gone. It also found that no effective field training programmes had been established, despite years of warning from police training experts that field training was the backbone of successful training.

These findings are as valid today as they were in 2006. While police training is not carried out exclusively by the US (there are other police training programmes in situ, including the EU's own EUPOL and smaller Member State programmes, as well as a small NATO mission), these have, unfortunately, been obscured by the more negative practices adopted by US training. One of the main problems affecting quality, cost and effectiveness is the US practice of relying on private contractors.

A significant European contribution to the issue of police training in Afghanistan should therefore be for it to work through all available channels to ensure that mistakes are not repeated: poor vetting of recruits, far too little field training, poor tracking of equipment, and relying on private contractors for actual training. The EU should propose a large-scale

training programme under NATO command, into which all existing training missions should be integrated.

## **Narcotics**

Between 2001 and 2009 the international community spent around USD 1.61 billion on counter-narcotics activities in Afghanistan without any discernible dent being made in narcotics production and trafficking. Afghanistan remains the source of over 90% of the world's illicit opium. 2009 figures from UNODC indicate that 242 000 families (or 3.4 million people, 6.4% of the population) are involved in this trade.

It is pre-eminently clear that the only way illicit opium cultivation can be eliminated is by offering a realistic alternative economy to the farmers in question. There are successful examples of how the phasing out of opium cultivation through its replacement by other sustainable alternatives has been done elsewhere (eg in Pakistan, Vietnam, Laos and Thailand). This goal can be achieved even in Afghanistan at a cost of around EUR 100 million per annum by specifically earmarking 10% of the European civilian aid to the country.

The provision of alternative livelihoods requires infrastructure, which in turn needs security, and this will have to be addressed; developing niche agricultural industries in each province could gradually help make the country more self-sufficient, enable it in time to supply the regional market, and effect a transformation in the lives and expectations of Afghans.

Your rapporteur is firmly convinced, therefore, that the best, – the only – approach involves a five-year plan for the elimination of illicit opium crops through alternative development, with specific benchmarks and deadlines, and the creation of a totally new office to implement this.

