

Norway in Afghanistan: new policy opportunities in the post-2014 context

By Rémi Clavet

■ Executive summary

The current situation in Afghanistan is highly volatile. National plans have thus far only brought limited results and the country still urgently needs effective structural reforms.

The international community has tried for more than a decade to address these issues, but the results have not fulfilled expectations. Retrospectively, the lack of monitoring of programmes in the provinces – for security reasons – has greatly limited the impact of reforms beyond Kabul.

With NATO pulling out, foreign countries can choose areas to assist Afghanistan where they can exploit their comparative advantages. Norway should focus on a restricted number of issues where it has expertise, e.g. the delivery of education programmes and natural resources management/renewable energies (mainly hydropower). Targeted bilateral sectoral agreements would ensure Norwegian involvement at each stage of the various programmes, and a tangible and sustainable impact on Afghanistan could be expected.

The transition process in Afghanistan is forcing foreign actors who wish to remain involved in the country to rethink their strategy at both the thematic and practical levels. It is also an opportunity to thoroughly review the ongoing statebuilding and development programmes in that country and to analyse their cost-impact ratio.

This study identifies possible entry points for the government of Norway regarding the next stage of its strategic involvement in Afghanistan. In order to do so the study first presents and briefly analyses Afghanistan's major priority structural needs. It then establishes links between these needs and Norway's current commitments and general foreign policy priorities, underlining the country's comparative advantages vis-à-vis other major donor countries. From this matching exercise a few specific areas are identified where Norway could have, or would continue to have, a significant impact, i.e. education, natural resources management and energy. The second section presents general guidelines and entry points for the elaboration of strategies focusing on these three areas.

The study will describe innovative directions for Norway to take in Afghanistan regarding sustainable development and propose potential strategies to combine clear objectives with efficient delivery. Humanitarian and emergency response policies (e.g. food security, disaster response, etc.) are not covered here. The approach is to expose synergies that would fit with the post-2014 context and not to present in detail all the aspects of these strategies. The study is based on the following sources: first-hand observations in Afghanistan, personal exchanges with stakeholders present in the country, confidential UN reports and open-source documents.

Section 1: connecting Afghan needs with Norwegian capacities

Before identifying Norway's main capacities in terms of international development, it seems essential first to briefly map Afghanistan's current priority needs in order to ensure a demand-driven – rather than a supply-driven – approach. This section will necessarily have to be selective

and assume some background knowledge on the part of the reader. From among these priorities, Norway can isolate the areas in which it has specific know-how and where, according to its capacities, tangible outcomes can be foreseen.

Afghanistan's priority needs

Afghanistan's immediate needs can be divided into the following categories of equal importance: (1) increasing the population's level of physical security; (2) fighting corruption in the public sphere and promoting good governance; (3) increasing the quality and availability of education for all; (4) managing natural resources (including their energy component); and (5) bolstering the economy to reduce dependence on foreign funding.

1. Security. The current disarmament, demobilisation and reintegration programmes (mainly the Afghanistan Peace and Reintegration Programme – APRP) were hastily implemented and have brought meagre results. Also, the empowerment of local militias (e.g. the Afghan Local Police) has only created new problems due to their lack of accountability. In addition, detention centres, because of their structures and the lack of operational funds, are widely seen as an obstacle to counterinsurgency policies (they are often referred to as “anti-government breeding institutions”). To be efficient, the Afghan National Security Forces (ANSF) would require a vast security sector reform programme that would focus on two main objectives: (1) deepening the specialisation of each of the ANSF's security components (e.g. a clear separation of mandates for the police and the army, and the development of a genuine and available anti-riot police) and (2) reducing the size of the security forces – for affordability purposes – while improving the quality of training and equipment.

2. Corruption. All the actors present in Afghanistan agree on the imperative to address corruption and reinforce the rule of law, mainly to increase the efficiency of the Afghan administration and to improve the population's perceptions of the government. Yet in reality few policies have been implemented to tackle the issue. The Public Administration Reform programme (and its Priority Reform and Restructuring programme) has been constantly eroded and the administration (central and local) remains highly corrupt and inefficient.

3. Education. There seems to be a growing understanding that one of the root causes of both the insurgency and weak economic development partly lies in the poor level of the population's education. Short-term solutions cannot solve decades-old problems. Although investing in education – including vocational training – does not fit with donors' desire to obtain immediate results, there is a general consensus on the critical necessity of improving the quality and availability of education for all (including women).

4. Natural resources management/energy. From the Soviet Union in the 1980s to the Pentagon in 2010, numerous

reports were produced to describe the immense potential of the Afghan soil, which contains oil, natural gas, copper (among the largest reserves in Eurasia), iron, high-grade chrome ore, uranium, gold and the highly strategic lithium. Currently, Afghanistan is not benefitting from this potential, mainly because of the lack of infrastructure, energy and security. A few Chinese and Indian companies have started to exploit these resources and most of the income generated is bypassing the population. Water and wood have been exploited without any proper governance structure and remain sources of numerous conflicts; in addition, their availability keeps diminishing proportionately to the growing needs of the population. Finally, Afghanistan is suffering from a structural energy deficit that not only severely affects people's lives (e.g. very limited access to electricity or gas and pollution from cooking stoves), but also restricts the possibility of economic development.

5. Economy/national income. The current level of the Afghan government's national revenue barely manages to cover 20% of its budget. Additionally, this budget (both operational and developmental) is widely seen as insufficient to cover the ongoing costs of existing state structures (the security architecture, hospitals, schools, etc.). Present government revenue (although artificially boosted by the foreign presence) is insufficient to finance most national needs, while the central administration is too inefficient and corrupt to channel and use foreign aid properly.

Norway's comparative advantages

Norway's capacities in Afghanistan are constrained by its financial and human resources limits. Although, compared to the size of its population, Norway's contribution to Afghanistan has been among the most generous, the policies requiring massive injections of funds and a large monitoring presence on the ground (e.g. security, anti-corruption programmes, etc.) have been implemented by larger NATO members, such as the U.S., Britain and Germany (see i, below). In addition, there is a clear popular call in Norway for a more limited involvement in Afghanistan and, most importantly, less security exposure. Thus there may be an opportunity to prioritise impact-based programmes through bilateral agreements and to focus on fewer issues with more measurable direct effects (see ii and iii, below).

i. Security and anti-corruption policies belong to a category of sectors that not only require the highest levels of financial and physical contributions, but also necessitate a permanently renegotiated consensus among NATO members and with the Afghan government. The implementation of these policies is also quite controversial because it antagonises a part of the population; indeed, anti-insurgency programmes (whether through night raids, drone attacks or other special operations) – regardless of their potential tactical efficiency – are often seen as invasive and prone to cause collateral damage by the population living in the affected region. In addition, a larger part of civil servants than is usually recognised (including security forces) rely on petty

corruption to make ends meet and would naturally resent any anti-corruption programme that is not balanced with a general increase of their salaries adjusted to the cost of living (which is currently impossible, considering the state's revenue). Finally, the implementation of any nation-wide policy requires permanent on-the-ground monitoring and evaluation, which are costly and involve clear security risks.

- ii. Norway's foreign development policy has put a premium on *education* and is currently implementing programmes in several regions of Afghanistan. Conflicts cannot be solved until children are being provided with the means to think for themselves, and development cannot be achieved if it is not implemented by the local population. Although education cannot by itself resolve intractable conflicts, it is also true that peace can rarely be sustained without the support of education for all. Education programmes are very popular in Afghanistan, require little – although ongoing – investment compared to security programmes and, as experience has shown, can be implemented in areas controlled by anti-government elements.

In the management of *natural resources*, Afghanistan's national structures, strategies, and legal framework to extract mineral deposits, oil, and gas have not yet been properly developed due mainly to national political disagreements. Here Norway has a comparative advantage and has developed highly respected expertise in the area. Norway has a thorough understanding of natural resources management at the technical and governance levels, and has integrated this knowledge in its foreign development policy (see Section 2, below). In addition, the Norwegian state has built an equally strong reputation in the area of *renewable energies*, especially hydro-power. Although a couple of dams were built in Afghanistan during the Soviet occupation, the government does not have the financial or technical capacities to make efficient use of them. Norway could thus have an immense impact on the development of Afghanistan by providing advice and programming support in the areas of both natural resources management and renewable energies. These efforts are also highly popular with the local population and require little security exposure. Moreover, Norway's expertise in mediation would be particularly useful to defuse potential conflicts, e.g. those linked to dam construction and use (especially with neighbouring countries) and for the sharing of natural resources.

Section 2: implementation entry points

The government of Norway can choose between two main types of involvement in Afghanistan. The first represents a continuation of the current strategy (without the direct security involvement), i.e. an essentially financial participation that is integrated into global multisector funds and will have limited impact due to the lack of Afghan capacities and international monitoring in the provinces. The second

type of involvement represents a policy shift: while still contributing to multisector funds – although to a lesser degree – Norway could identify a few specific areas in which it has particular skills and lead international efforts to advance goals in these areas. So far, most of the aid provided by Norway has been channelled through the Afghanistan Reconstruction Trust Fund (ARTF), the common on-budget fund directed through the Ministry of Finance to the relevant line ministries. Considering that in 2011 the Afghan government only managed to spend 50% of its development budget (which was nevertheless increased the following year), there seems to be a clear need for case-by-case comprehensive technical support rather than global funding with insufficient guidance for its implementation in the provinces.

If Norway chooses to shift its policy towards the second option, with specific objectives instead of a general intention of alignment, below are some entry points for the implementation of programmes on the topics previously identified: (1) education and (2) natural resources management and renewable energy. Again, there is currently huge uncertainty regarding which direction Afghanistan will take after the presidential elections; in any case, it seems that a focus on resources – whether intellectual, energy-related or mineral – is the right strategic step toward sustainable conflict prevention and peacebuilding.

1. Supporting current education efforts

Norway is already present in Afghanistan in the area of education, mainly through its contribution to the ARTF and its development organisations, e.g. the Norwegian Afghanistan Committee and Norwegian Refugee Council. One entry point for the Norwegian government would be to support the grassroots work of these organisations in the provinces through advocacy and providing technical advice at the central level (i.e. the Ministry of Education and Ministry of Religious Affairs). Regarding the opportunities, challenges and bottlenecks facing education in the remote provinces, the Norwegian government may broaden its knowledge by debriefing representatives of these Norwegian non-governmental organisations (NGOs). However, three points should be made, based on first-hand information gathered over two years in several provinces:

- i. There is currently a major and growing Salafist (Hezb-i-Islami, Hezb-i-Tahrir, etc.) influence in Afghan educational sites, ranging from remote schools (madrassas) to universities. To avoid tensions, all programmes will have to be expressly validated by local representatives (e.g. the provincial council).
- ii. Every year many Afghan boys are sent to Pakistani madrassas, because all the costs of education and living are taken care of by these schools. However, most of these madrassas are controlled by radical Salafist groups, who use the children to spread radicalism in Afghanistan. If the budget allows it, similar full-boarding options could be made available in Afghanistan.

- iii. Juvenile detention centres rarely provide any kind of education for the boys and girls incarcerated in them. Consequently, these children, uneducated and ostracised, have become a significant source of recruitment for the insurgency. An important step forward would be to obtain an agreement from the Ministry of Education to provide teachers to these institutions (for boys *and* girls).

Regarding the delivery of programmes, *remotely controlled programming* (i.e. programmes implemented without a significant presence on the ground of a monitoring entity, often the donor, and which have to rely mainly on reports to assess the implementation of the programmes) was particularly ineffective in Afghanistan,¹ because projects require a thorough follow-up on the ground by donors. National and local ownership cannot mask the obstacles of weak capacities and corruption. If a physical presence on the ground represents an unacceptable risk for international staff members, it seems unlikely that programmes will have an impact proportional to their cost, and a rethinking of strategy will be required. Nevertheless, educational programmes implemented so far by Norwegian NGOs have achieved encouraging successes and could benefit from an increased budget – as long as their essential objectives included programme sustainability. NGO staff are usually well integrated in the rural areas, possess a detailed understanding of local dynamics and are not as limited by transportation restrictions due to security constraints. They are also much less likely than diplomats to be frequently absent from the country.

2. Natural resources management and energy: pillars for development and support to peace

The Afghanistan Investment Support Agency is currently touring its regional neighbours (including Turkey, China and Russia) to propose generous incentives – such as a ten-year tax exemption – to companies that invest in Afghan industry in 2013–2014. The resources are there, but the capital and technical knowledge to exploit them are lacking. The management of natural resources can be approached from two main perspectives in terms of which Norway has demonstrated real know-how: resources exploitation based on the principles of good governance and conflict prevention, and renewable energies.

- i. The *management of natural resources* is by far the most complex dossier and consequently where Norway could have a major and unique impact. Building on initial mapping by the Soviet Union, the U.S. discovered nearly \$1 trillion worth of untapped mineral deposits in

Afghanistan.² An internal Pentagon memo stated that Afghanistan could become the “Saudi Arabia of lithium”, a key raw material in the manufacture of batteries for laptops, mobile phones, and electric cars. In addition, the government of Afghanistan announced it would start exporting oil by the end of 2013. Natural resources are potentially as much a blessing as a curse, depending on the state’s capacity to manage their exploitation responsibly. It appears likely that the exploitation of such sources of wealth may dramatically fuel the current conflict, as it did in many other regions of the globe, such as the Democratic Republic of the Congo. Norway’s unique expertise in both mediation and natural wealth management could become invaluable for Afghanistan to avoid these risks. Beyond its clear conflict-prevention component, natural resources management may also have a dramatic impact on the national revenue, poverty reduction and protection of the environment, and may additionally provide some governance principles that could be implemented in other areas of activity.³

- ii. *Renewable energies* provide two advantages: firstly, their negative impact on the environment is minimal and, secondly, their exploitation is sustainable, providing a strategic independence proportional to their share of national energy consumption. Again, Norway should not pretend to be able to solve all of Afghanistan’s energy problems, but could rather encourage the appropriate use of national assets and provide the necessary technological support in that regard. Hydropower in particular has an important role in the country,⁴ as it is already the primary source of electricity production. However, as mentioned earlier, the management of dams requires extensive conflict-prevention work, not only with Afghanistan’s neighbours, but also with the local illegal armed groups. The failure of the U.S. Agency for International Development (USAID) to install the third turbine of the Kajaki Dam in Helmand due to the militarisation of the operation will have dramatic consequences for the stability of the region and provides an example among many others of the difficulties surrounding dam construction and management. The direction of USAID’s hydropower projects and their funding will be transferred to the Afghan government, but with limited guidance and technical support. It may represent an opportunity for the government of Norway to reach an agreement with the U.S. and Afghanistan to take over the technical and financial leadership of the projects, while Norway simultaneously promotes a sustainable energy strategy for Afghanistan.⁵

1 The Law and Order Trust Fund for Afghanistan and APRP programmes have become unfortunate examples of programmes managing very large funds while exercising very limited on-the-ground monitoring, and ending up in highly mediatised massive corruption or inefficiency scandals.

2 Estimates made by the U.S. Geological Survey, 2013.

3 The Norwegian government – especially through the Norwegian Agency for Development Co-operation (NORAD) – has developed several programmes that could be relevant for Afghanistan. Some of them have already been briefly implemented in the country: Tax for Development, Public Financial Management, Macroeconomics and Poverty Reduction, and Oil for Development.

4 USAID estimates the theoretical hydroelectric potential in Afghanistan to be 25,000 megawatts (MW), although its current operating capacity is 183 MW.

5 NORAD developed two programmes that could be relevant for these projects and may provide a policy framework: Clean Energy, and Gender in Energy.

In conclusion, Norway has a special capacity to provide Afghanistan with both solid technical support in selected development areas and through its recognised expertise in mediation and conflict prevention. Since Norway is already heavily invested in funding the future of Afghanistan, the post-2014 transition offers an opportunity to rethink the modalities of this involvement by exploring further possi-

bilities for bilateral agreements, possibly in the areas of education and natural resources management. Indeed, one could estimate that the future stability and progress of Afghanistan lies in the decisions that are being taken today to manage current and future investments in its natural resources and people. ■

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