

Senator Alan Eggleston 5 December 2013

Speech to the Crawford School of Public Policy on Australian Aid to Afghanistan

I won't talk too much about the history of Australia's involvement in Afghanistan as my main purpose tonight is to talk about the Senate Foreign Affairs, Defence and Trade committee's report into the effectiveness of our aid program in that country.

Australia became involved in Afghanistan on the premise that the scourge of al-Qaeda was the world's leading terror force needed to be curtailed, and the belief that Afghanistan is arguably the birthplace of modern terrorism.

In a speech made in April of this year, then Defence Minister Stephen Smith cited the oft-referenced adage 'people may not remember how you arrived, but they certainly remember how you leave'.

With that in mind I'd like to turn now to looking at Australia's overseas development programs in Afghanistan by providing an overview of the committee's report into the effectiveness of our aid.

In 2001, after two decades of civil war, the Government of Afghanistan faced the daunting task of creating an environment that would enable its people to start the process of rebuilding their country's economy, its vital infrastructure and state institutions.

Many Afghans needed to be resettled, the injured to be rehabilitated, farmers returned to their land and children to school. The challenges confronting the country and its people were and remain formidable.

Australia became part of the international donor community pledged to assist Afghanistan with its recovery and reconstruction.

From 2000 to June 2012, Australia's overseas development assistance (ODA) to Afghanistan accounted for over \$710 million.

Australia is now committed to making Afghanistan its third largest recipient (in volume) of Australian ODA with its total development assistance for Afghanistan expected to climb to \$250 million for 2015–16.

Australia uses a number of channels to distribute its ODA in Afghanistan—Afghanistan's core budget; multilateral organisations and NGOs; and the Uruzgan Provincial Reconstruction Team (PRT).

On budget—Afghanistan Reconstruction Trust Fund (ARTF)

The bulk of Australia's ODA goes to Afghanistan's core budget.

Overall, evidence supports the view that funds directed through the Afghan government systems, notably through the Afghanistan Reconstruction Trust Fund (ARTF), are more successful in promoting government ownership and aligning projects with government priorities.

This arrangement helps to prevent wastage of funds, encourages stronger coordination between projects (less duplication and better targeted) and is better suited to counter corruption.

The committee fully endorses Australia's commitment to allocate 50 per cent of its aid to Afghanistan through on budget mechanisms and supports Australia's increasing contribution to the ARTF.

Multilateral organisations and NGOs

For many years, Australia has also channelled a significant proportion of its aid to Afghanistan through NGOs.

The committee acknowledged the good work being achieved through this mechanism and recognises that NGOs will have an important role during Afghanistan's transition to self-reliance and beyond.

In particular, they will be required to continue to fill the gap in the Afghan Government's capacity to deliver front-line services.

The committee, however, also recognised the importance of building the capacity of local NGOs and other Afghan civil society organisations to serve their communities and underscores the importance of ensuring that they figure prominently in the design, planning and implementation of aid programs.

Uruzgan and the provincial reconstruction team (PRT)

After Australia assumed leadership of the PRT in Uruzgan in 2010, the proportion of Australia's ODA to that province increased substantially and now stands at approximately 20 per cent of Australia's total ODA to Afghanistan.

Australian assistance to Uruzgan has produced tangible benefits from reconstruction work or restoration of important infrastructure (schools, health clinics, roads, bridges) to helping the provincial government develop a cadre of trained public servants.

Some witnesses, however, expressed reservations about the effectiveness of aid delivered by the Australian Defence Force in Uruzgan suggesting that some projects were 'quick fixes' and unsustainable.

They also suggested that the military's involvement in development assistance may put the safety of aid recipients or non-military aid workers at risk and, by supporting or even empowering particular individuals, undermine local ownership.

In some quarters the involvement of the Army in AID programs was regarded as suggesting that the purpose was military rather than humanitarian

The committee believes that there needs to be a comprehensive independent evaluation of the effectiveness of the work of the PRT under Australia's leadership. Such a review would provide a great opportunity to understand better and to learn lessons from Australia's military-civil-policing operations in Uruzgan.

Protecting the gains

With the assistance of donor countries such as Australia, Afghanistan has made considerable progress in lifting the living standards of its people and stabilising its government.

The country, however, remains in need of substantial and continuing aid to help it maintain its development momentum.

There are no doubts that the challenges facing Afghanistan as it moves toward security and economic self-reliance are daunting.

While views differ on Afghanistan's future security, all agree that it is unpredictable and that the legacy of the country's long and destructive history of political turbulence and of civil and military upheavals will continue to present enormous difficulties for Afghans.

The projected fall in Afghanistan's revenue base will further complicate the government's efforts to provide adequately for its people.

Clearly there is a serious risk that in light of the decline in government revenue and continuing insecurity, advances in key areas such as the provision of education and health services may be unsustainable or even reversed. To defend the gains, the committee believes that it is critical that aid programs should focus on three points:

- continuity—ensuring that the transition to self-reliance is sure-footed and smooth;
- consolidation—ensuring that the gains made to date are not lost and instead form a solid foundation for future growth (move from quantity to quality, for example from school buildings to teaching; and ensure that operational costs—salaries, maintenance and repair etc are covered); and
- strategic focus—ensuring that attention is given to the sectors that are foundational and have a proven track record of success.

In this context, there are a few areas in which Australia could continue to direct its efforts most productively—education, agriculture, mining and promoting the status of women.

Education

Education is not only a sector where notable achievements have been made but also one of the key building blocks for future development and an area where Australia could continue to make a valuable contribution.

The committee supports Australia placing a high priority on education in its Afghan aid program but would like to see much greater emphasis given to improving school attendance and the quality of teaching.

To achieve higher retention rates and uninterrupted schooling, the aid program must address the obstacles holding parents back from sending their children to school, especially girls.

It must also seek to provide a pathway to higher education. In this regard, the community-based program, the Australian funded program 'Children of Uruzgan', and the 'Malaysia-Australia Education Project for Afghanistan' hold promise.

The various aid programs offering scholarships to study in Australia could be developed further and attention given to building on the experiences of Afghan graduates, for example, by encouraging and supporting an active alumni community.

Agriculture and food security

With increasing expertise in the area of dry land agriculture, Australia is well placed to continue its significant role in assisting Afghan agriculturalists, including its poorer farmers, to improve the productivity of their land.

The committee identified three areas as having the potential to increase the benefits already accruing from international assistance in agriculture—improved accessibility for poorer farmers to the advances being made through research; emphasis on training farmers; and including women in every facet of improving agricultural production.

The committee is of the view that Australia's assistance to Afghanistan in the food security sector should pay close attention to these areas.

Disaster risk reduction should also be an important component of Australia's development assistance in agriculture.

The heavy reliance on opium production in some districts in Afghanistan underscores the important role that development assistance should have in enticing farmers away from the cultivation of the opium poppy by providing them with viable alternatives.

Mining

Afghanistan has abundant mineral resources and is seeking to learn more about mining from countries, such as Australia, that have extensive experience in the industry not only in terms of the technology but also perhaps in advice on the Legal framework under which mining is conducted. At the “Africa Down Under” mining conference in Perth this year Premier Barnett offered to assist African Government’s set up the Legal framework for mining agreement which would protect interests of the people of the country concerned and hopefully that kind of advice can also be provided to the Afghan government.

In light of the serious concerns expressed, as well as the sorry history of mining in conflict-affected countries, the committee believes that much greater effort is required to help Afghanistan ensure that mineral exploration and extraction does not harm local communities and that the benefits from mining spread throughout the economy.

Private enterprise and Afghan diaspora

The committee believes that Afghanistan needs a healthy private sector in order to drive the necessary economic growth that would provide income earning opportunities and generate the revenue needed for government to provide essential services.

In this regard, the committee believes that DFAT and AusAID should be looking at creative and practical ways to encourage Australian organisations, including within the Afghan diaspora, to forge links with the business and academic communities in Afghanistan.

The role of women

To lift its people out of poverty, Afghanistan must include women as part of its development process.

The committee notes that Afghanistan has identified gender equality as a cross-cutting issue central to the success of its overall development strategy.

Evidence suggests, however, that as Afghanistan draws closer to taking charge of its own affairs, much more needs to be done to improve and then safeguard the status of women.

The committee commended the Australian Government for its strong recognition of the rights of women in its aid programs.

It also notes the opportunities to encourage gender equality through Australia's contribution to training and mentoring the Afghan National Army and Afghan National Police.

Analysis and evaluation of the effectiveness of Australia's ODA to Afghanistan

The committee acknowledges the work of Australian aid personnel in Afghanistan and their commitment to help the Afghan people rebuild their lives.

Evidence suggests, however, that some projects have not measured up to expectations—Alice Ghan and the Australian Leadership Awards Scholarships program for Afghan students.

There are other projects indicating that, while impressive on paper, the achievements on the ground may not be as substantial as initial indicators suggest.

In this regard, the committee has seen little evidence that the Australian Government agencies delivering aid to Afghanistan have attempted any genuine critical evaluation of the effectiveness of their Australian programs, including an assessment of their cost-effectiveness.

Overall, the committee found that current reporting presents an incomplete picture and may mask significant underachievement.

For example, information is provided on the number of schools built and enrolment rates but with no indication of attendance, retention or the quality of teaching.

The committee believes that the monitoring, evaluation and reporting of Australia's ODA to Afghanistan needs to improve dramatically.

The benefits of robust evaluation and reporting would be twofold—deficiencies could be identified, rectified and valuable insights gained for refining future programs; and the government would be better placed to tell the Australian public about achievements that often go unnoticed.

In conclusion we believe Australia has had a major influence on the reconstruction of infrastructure and the development of educational facilities as well as support for the recognition of the rights of women in Afghan society and that while we have much to be proud of the task is not over as we need to assist in consolidating the gains.