POLITICAL ECONOMY ANALYSIS OF AFGHANISTAN'S SERVICE DELIVERY CAPACITY

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POLITICAL ECONOMY ANALYSIS OF AFGHANISTAN'S CAPACITY TO IMPROVE GOVERNMENT SERVICE DELIVERY

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CONTENTS

ACRONYMS

4A	Assistance for Afghanistan's Anticorruption Authority
AERCA	Advancing Effective Reforms for Civic Accountability
AFTEL	Afghan Telecom
AGO	Attorney General's Office
AISA	Afghanistan Investment Support Agency
ANDS	Afghan National Development Strategy
ATRA	Afghan Telecom Regulatory Authority
CBR	Capacity Building for Results
CEO	Chief Executive Officer
CSC	Civil Service Commission
DI	Democracy International
G2C	Government to Consumer
GAAC	General Administration of Anti-Bribery and Corruption
HOO	High Office of Oversight and Anticorruption
IARCSC	Independent Administrative Reform and Civil Service Commission
ICTAWG	International Community Transparency and Accountability Working Group
ISIS	Islamic State of Syria and Iraq
MEC	Independent Joint Anticorruption Monitoring and Evaluation Committee
MIS	Management Information System
MoCIT	Ministry of Communications and Information Technology
MOE	Ministry of Economy
MOF	Ministry of Finance
MoI	Ministry of the Interior
MOU	Memorandum of Understanding
MRRD	Ministry for Rural Rehabilitation and Development
NPA	National Procurement Agency

NSP	National Solidarity Programme
NUG	National Unity Government
OECD	Organization for Economic Cooperation and Development
SAO	Supreme Audit Office
SIGAR	Special Inspector General for Afghanistan Reconstruction
UNCAC	UN Convention Against Corruption
UNDP ACT	United Nations Development Programme Accountability and Transparency Project
USAID	U.S. Agency for International Development

METHODOLOGY

This analysis was guided by the new USAID Political Economy Analysis Framework, which is attached as Annex B. DI utilized the Framework's sample questions to inform a discussion with USAID/Kabul staff about how to target the analysis to glean the most useful information. As part of adapting the Framework to the specifics of Afghanistan and USAID's desired focus on government service delivery, DI developed a desk study of four ministries providing a variety of commonly utilized services.

From January 20 through February 4, 2016, DI fielded a PEA team to Kabul. Assembled in consultation with USAID/Kabul and on the basis of the initial efforts summarized above, DI's multi-disciplinary team included a former Country Representative for the Asia Foundation's programs in Afghanistan, an expert in government service delivery reforms and information technology, a former executive director of the Afghanistan Joint Monitoring and Evaluation Committee, and a local expert in Afghan civil society and elections. Supporting the team were several Afghan staff from DI's AERCA project.

Upon arrival in Kabul, the team held a workshop with Afghan AERCA staff on the nature and focus of the PEA. The team discussed the PEA Framework's major factors (e.g., foundational conditions, institutional arrangements, developments that constitute the relevant "here and now"), prior international efforts, major recent initiatives, and the 'status' of the political settlement reached during August 2014 following the heavily contested 2014 presidential elections.

Subsequently, the team conducted more than 50 interviews of more than 100 experts and stakeholders. These included high political authorities, ministry leadership, and ministry 'line' staff engaged in providing certain services to the public. The team also spoke with independent international and Afghan experts and a wide variety of Afghan civil society organizations. A list of interviews is included as Annex A.

In keeping with the goal that USAID's Applied Political Economy Analysis Framework be a 'light touch,' rapidly-deployable tool, there are necessarily limits in the depth of the analysis. In addition, while the PEA analyzes political and economic factors affecting the Afghan government, it does not include a deeper process-focused analysis of particular services. Such analysis is anticipated prior to beginning any service delivery reform efforts. This PEA reflects DI's understanding of these issues at the time of writing. USAID and DI anticipate that this PEA will be updated periodically to maintain a current analysis.

QUESTIONS ASKED

At the request of the USAID Mission in Kabul, Afghanistan, Democracy International (DI) undertook this political economy analysis to inform work to be performed under the Advancing Effective Reforms for Civic Accountability (AERCA) project. This analysis was guided by the new political economy analytic framework developed by USAID's Cross Sectoral Programs Division in the Center of Excellence on Democracy, Human Rights and Governance in USAID/Washington.

USAID/Kabul sought to understand the political contestation and popular attitudes that might impact new good governance reform initiatives. Specifically, the Mission asked for an analysis of possible entry points to support existing reform efforts, notably those involving delivery of government services to ordinary Afghans. This report summarizes the significant investment USAID and other donors have made in promoting good governance and combatting corruption as well as the widely held view that many such reforms failed to

achieve their intended goals. As USAID noted, the international community recognizes the need for further investment in improving Afghan governance and desires that any new commitments be informed by analysis. This PEA is one of several efforts being undertaken by a variety of actors to provide the analytical foundation for new initiatives.

LIMITATIONS

As with all assessments, there were certain limitations that affected data collection and analysis through the process of this PEA. Specific constraints in this case included the following:

1. The timeframe for this assessment required a narrowed, focused approach to data collection. The team used purposeful selection of key respondents to ensure the most knowledgeable respondents and in-depth responses for the data desired as well as a range of perspectives on the issues being investigated. DI was able to conduct some follow-up interviews with key respondents and key institutions and organizations to ensure more complete data collection. The team also employed data triangulation methods to minimize bias introduced by the selective respondent list and strengthen the validity of assessment findings.

2. The security environment in Afghanistan limited the geographic scope of this assessment. While the team conducted a significant number of interviews across government institutions, civil society organizations, and Afghan experts in Kabul, this analysis did not include interviews in locations outside of Kabul. This narrow scope limited the collection of perspectives of governmental and non-governmental actors and citizens located in provinces regarding government service provision and corruption. In order to mitigate this limitation and represent additional perspectives on corruption and service provision in Afghanistan, DI's analysis also includes external research and survey data.

3. Although few requested interviewees declined to participate in the assessment, there is a possibility of selection bias, i.e. those respondents who chose to participate might differ from those who did not in terms of their attitudes and perceptions, socio-demographic characteristics, and experience, among other factors. In anticipation of this limitation, the team ensured that interviewees were made aware of the independence of the process and the confidentiality of their responses.

4. There is a known tendency among respondents to under-report socially undesirable answers and alter their responses to approximate what they perceive as the social norm (halo bias). The extent to which respondents are prepared to reveal their true opinions may also vary for some questions that call upon respondents to assess the performance of their colleagues or people on whom they depend for the provision of services, funding, or job security. When asking sensitive questions of government officials regarding the quality of services provided by a ministry or the quality of the work of their colleagues, this bias may be present. To mitigate this limitation, the team provided respondents with confidentiality guarantees, conducted interviews in settings where respondents felt comfortable, and aimed to establish rapport between the interviewer and the respondent. The team also asked questions of multiple government institutions, experts, and donors to better corroborate sensitive information such as perspectives on the performance of a specific minister or ministry.

5. While DI endeavored to collect representative and diverse perspectives on the issues under investigation, the team's ability to ensure an ethnically representative and gender-balanced selection of respondents was limited by the nature of government appointments and government hiring processes and gender norms that continue to affect women's positions in government and society in Afghanistan.

6. In order to develop an understanding of the range of political and social issues that affect government service, DI's team met with stakeholders responsible for an array of issues and government services. DI will facilitate deeper, process-focused analyses of selected government services and citizen satisfaction with those services following this PEA.

SUPPORTING SERVICE DELIVERY IN AFGHANISTAN

The impact, nature, and prevalence of corruption in Afghanistan have received enormous attention but the problem continues to metastasize. The large volume of effort put toward combatting and reducing the vulnerability to and impact of corrupt practices has yielded some benefits. As the United Nations Office on Drugs and Crime has reported, the incidence of bribery has fallen.[1] Also, recent procurement reforms have garnered international praise as a significant positive step.[2] However, the 'problem' of corruption is broader than specific reforms or the actual incidence of corrupt practices. The Afghan public continues to prioritize their concern over corruption and report that they perceive the situation they face as unchanged. Citizens overwhelmingly do not even bother to report bribery solicitations as they do not believe that their complaint will matter.

Rightly or wrongly, blame for this situation inures to the current government. The perception of a growing corruption problem and an ineffective government undermines public confidence in government, widening an existing gulf between citizen and state and negatively affecting government legitimacy. Whether citizens regard government agencies and personnel as legitimate affects their willingness to participate in and cooperate with government actions.[3] Citizen responses vary from resignation to emigration, but of increasing concern is the fact exposure to corruption is positively and strongly correlated with the perception of sympathy for armed opposition groups.[4]

Watching the growth of this citizen-state legitimacy divide with concern, and taking into account prior programs and a growing evidence base, USAID hypothesizes that focusing on improving service delivery might help ameliorate the situation. USAID is not alone in this assessment, as the World Bank, Afghan Research and Evaluation Unit, and Transparency International have each concluded recent research on the failings of Afghanistan's public sector to effectively deliver vital services to the public.

"President Ashraf Ghani literally wrote the book on fixing failed states and fully recognizes that corruption is sapping his government's legitimacy, yet his administration has been ineffective so far in fighting corruption in a way that is convincing to the Afghan public."

UNITED STATES INSTITUTE FOR PEACE, DECEMBER 2015

The ability of government to meet the needs of its citizens is fundamental to the authority that government claims to conduct and enforce social order in a society. Unpacking how and why governments and citizens interact is the subject of years of political science and public administration research. The ability of states to deliver services and maintain their legitimacy in the eyes of their citizen publics is correlated with how fragile – or resilient – the state may be, or remain.[5] Since 2004, the World Bank has strongly pushed on the role improved public services can play in achieving better development outcomes.[6] The Organization for Economic Cooperation and Development (OECD) has also recognized the importance of government service delivery in the state-citizen relationship.[7] And, USAID's own programming lessons reinforce this conclusion, as does experience in developed countries.[8] Among the most important aspects of improved service delivery per-

formance for both state and citizens is visibility. Seeing services (the actions of the state) and receiving the benefits of such actions can have "acute value in everyday life."[9]

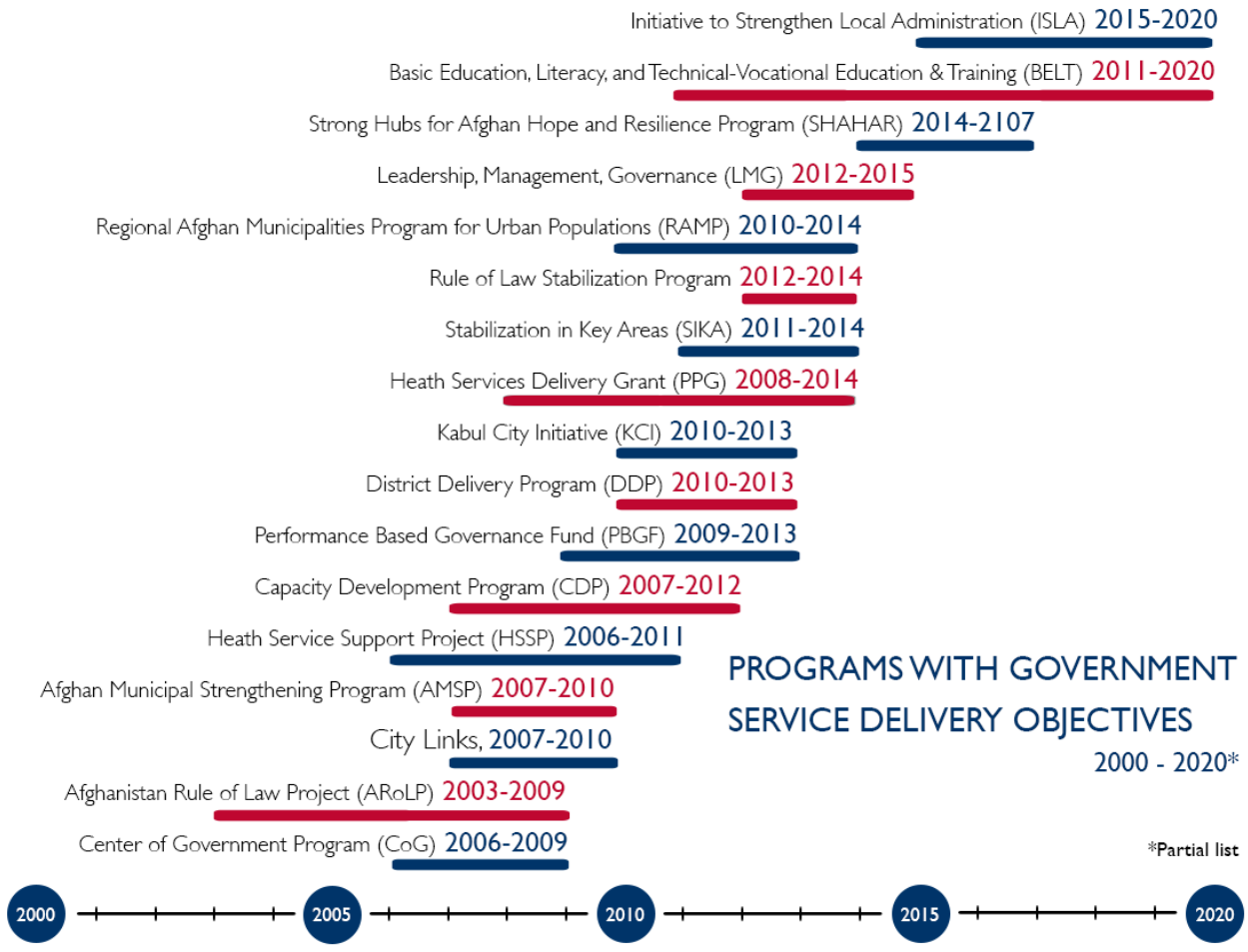
To enhance this potentially virtuous circle, USAID has commissioned this political economy analysis to better understand the constraints and current openings to improve the capacity for Afghan government entities to deliver services and engage citizens. It seeks to respond to the question of the current incentives at work, which ascertain what incentives for better public sector performance can work in the Afghan context. Simplifying complex business procedures and replacing manual systems with electronic ones, for example, make services more effective and also remove opportunities for corruption by eliminating unnecessarily lengthy processes.

In addition, USAID will endeavor to capitalize on the achievements Afghan civic organizations have had advocating for and supporting adoption of improved practices. Evidence indicates that citizens prioritize the quality of the service experience and that improving service delivery is not a simple question of how government provides the service in question.[10] A variety of constituencies ranging from the general voting public to the end users of particular services (e.g., patients in the government-provided health care setting or vehicle operators in the case of government-provided drivers licenses) have a role to play in how services are defined, provided, and measured. As USAID noted in its 2013 *Strategy on Democracy, Human Rights and Governance*, "increased accountability for effective government service delivery" is fundamental to improving government performance. USAID's prior programming experience emphasizes that supporting improved communication to, and participation in ongoing improvement by, citizens can enhance service delivery. Thus, this political economy analysis will also provide a starting point for efforts to catalyze social accountability collaboration and engagement by and between Afghan nongovernmental organizations and the Ghani administration.

Our analysis begins with understanding how past experience colors current status and future expectations.

BACKGROUND

Over the past 14 years, the international community has pursued an agenda of increasingly intensive development in Afghanistan. Although development aid numbers have fallen in recent years, there has been and continues to be significant investment, especially since the US civilian and military surge in 2009. Many programmatic components of this effort have included initiatives aimed at improving overall government performance and service delivery. At least 17 USAID programs across a variety of sectors including governance, health, education, and justice had goals related to improving the delivery of government services. Many have sought to strengthen the institutional systems and human capacity of local and national government authorities, from municipal offices and courts to health clinics and schools.



Unfortunately, public perception surveys reveal that the Afghan people regard the government agencies in these sectors as among the worst public service providers and among the most corrupt, e.g. courts, municipalities, health services, and public schools. However, few of these efforts actually targeted corruption specifically as part of their programmatic efforts; instead, the focus was on capacity building and institutional

strengthening of core governance institutions, with a primary goal of demonstrating to Afghans that government could provide services, deterrence to corrupt practices, and robust oversight.

In theory, concerns over corruption were on the radar early in Afghanistan's transition. The Afghan Transitional Authority led by Hamid Karzai signed the UN Convention against Corruption on February 2004. Also that year, the Law on the Campaign Against Bribery and Administrative Corruption was enacted even before the country had a constitution.[11] The law created the General Administration of Anti-Bribery and Corruption (GAAC) to comply with mandates contained in the Afghan government's accession to the UN Convention Against Corruption (UNCAC).

GAAC was responsible for government policy on the fight against corruption, creating an information center to register the properties of public servants, establishing exchanges with similar offices of friendly states and international organizations, introducing corruption suspects to face prosecution, and inspecting offices and contracts where officials were suspected of committing crimes.[12] The GAAC had more than 80 technical staff members, half of whom had some investigatory role. The United Nations Office of Drugs and Crime fielded a limited effort to support the GAAC. Unfortunately, GAAC leadership chose to concentrate on investigations, neglecting other mandates related to awareness raising and public education. Provincial offices described in the law were never established, and detractors questioned GAAC's legitimacy because it was created before the constitution and before most integrity institutions were operational or functioning at full strength.[13] Eventually, GAAC's impact suffered as a result of poor staff capacity, rivalries, and an unwillingness among its staff to anger high-profile and well-connected individuals or groups in the investigation and prosecution of high-level corruption.[14] Tensions with the Attorney General over investigative powers and confusion about GAAC's role vis-à-vis other agencies also hindered its impact.[15]

Projects with the primary goal of addressing corruption took center stage beginning in 2006 as observers of Afghanistan struggled to understand the lack of progress after the first five years of intensive development effort. Between 2006 and 2008, the Chief Justice of the Afghan Supreme Court led a committee appointed by President Karzai to devise an anticorruption strategy for the country. The resultant Azimi Strategy was too general to be a viable roadmap for fighting corruption. The UNDP ACT program (2007 – 2009) in the Ministry of Finance helped further this effort by developing a broader anticorruption strategy within the Afghanistan National Development Strategy (ANDS). Subsequently, the Law on Overseeing the Implementation of the Anticorruption Strategy (2008) established the High Office of Oversight and Anticorruption (HOO). ACT then sought to help the Afghan government understand what types of interventions could successfully combat corruption by piloting anticorruption initiatives in key public institutions, namely the Ministries of Finance and Justice. In addition, the project sought to develop diagnostics to assess government integrity and raise public and government employee awareness of the issue. These goals were part of a sustainability plan to encourage both the civil service and the public not to tolerate petty corruption. ACT also supported the HOO.

It was envisioned that the HOO would organize and lead the fight against corruption across all of government. More than a government-wide coordinating body—and similar to the GAAC—the HOO would have investigative powers. But it would also possess the capability to require asset registration by high officials. This new asset registry would make instances of (especially larger scale) corruption more readily identifiable. HOO would work hand-in-glove with the Office of the Attorney General to investigate and prosecute instances of corruption. USAID backed the new agency with a support package, the Assistance for Afghanistan's Anticorruption Authority (4A project), which ran from 2010 to 2013. The project sought to provide significant technical and institution-building assistance to the HOO, including developing human capital procedural manuals, new recruitment and hiring policies, and performing a desk audit of the HOO's

payroll. In addition, 4A sought to improve HOO's on-line asset registration capacity, conduct vulnerability to corruption assessments in government agencies, and draft a whistleblower protection law.

Despite some early successes—namely, establishing the office as well as a complaints hotline and conducting an anticorruption awareness campaign—the promise of the HOO was never realized. This is due to a number of factors, including in-fighting between the AGO and HOO. There was little political authority behind the HOO's most difficult tasks of verifying assets, investigating corruption, and ensuring prosecution of corruption cases. But, perhaps most devastatingly, the HOO quickly became part of the corruption problem itself through patronage hiring practices. Some observers described the agency Tashkeel (organization chart) as little more than a family tree. Allegations that some employees sought to use HOO's authority to attack political enemies further weakened the agency.

By the end of 2010, the international community again pushed the Afghan government to establish an independent body to monitor and evaluate anticorruption efforts. For its part, the Afghan government argued that the international community contributed to the problem with its high salaries and poorly monitored spending in Afghanistan. This contention resulted in the international community and the Afghan government agreeing at the International Conference on Afghanistan in London in 2010 to establish a new body, the Independent Joint Anticorruption Monitoring and Evaluation Committee (MEC).

Established by Presidential Decree in 2011, the MEC comprised three international and three Afghan anticorruption experts, supported by a permanent secretariat in Kabul. The internationals traveled to Afghanistan every three months to evaluate international and national anticorruption efforts. The MEC firmly established its reputation and independence with the publication of the Kabul Bank report in the fall of 2012.[16].But the MEC too had limits, and its work never realized the desired concrete results in the fight against corruption. The MEC lacks the legal authority to acquire documents or to demand implementation of its recommendations. It is more of a research oversight body; though frustrated by its passive role, the MEC could do little more than identify and report on corruption vulnerabilities and anticorruption efforts. The power to implement the MEC's recommendations remained with the Afghan government, which was then looking ahead to the planned presidential elections.

The capacity and willingness of the Afghan government's commitment remained a concern. At the July 2012 Tokyo Conference, evidence emerged of the international community's frustration over a perceived lack of sincerity of the Afghan government to fight corruption. In response, President Karzai issued Presidential Decree 45 shortly thereafter, intending to convey that his government was indeed serious about reform. The Decree's 164 articles directed 33 government entities to develop strategies and plans to deal with corruption. The Office of Administrative Affairs was to monitor implementation. However, PD 45 was largely procedural in nature, requiring the submission of a plan or a report, but not actual implementation of any specific change. MEC reports in 2013 highlighted this problem, and in 2014 reported that OAA stopped monitoring PD 45 commitments in August of 2013, "claiming that most of the articles had been implemented and there was no reason to continue monitoring them."[17]

Despite the institutions described above, the Afghan government lacked a comprehensive, consolidated approach to improving government integrity and combating corruption. The National Transparency and Accountability Priority Program developed under the Kabul Process was the only National Priority Program not endorsed by the President (some argued, as a result of differing perspectives on the viability of the High Office of Oversight). The international community's commitment to this effort also lacked coherence, despite warnings of the need for a plan from MEC and other organizations. A coordinating forum, the International Community Transparency and Accountability Working Group (ICTAWG), was established, but

it has remained a relatively passive venue of limited information sharing where no substantive work is completed.

Perhaps ironically, the institution often viewed as effective at identifying and pursuing corruption in Afghanistan is not an Afghan institution at all, but the the Special Inspector General for Afghanistan Reconstruction (SIGAR), which is tasked with pursuing malfeasance in US government contracting. This perception is relevant, however, for anticorruption approaches taken by Afghan agencies, as it highlights the benefits of an assertive, public approach.

Overall, anticorruption efforts are widely perceived to have failed. Observers, participants, and analysts cite several reasons. The weakness of the High Office of Oversight and the lack of real commitment from President Karzai's administration ensured that there was not the sufficient political will to support the fight against corruption and efforts to do so languished. Even worse, the very same organizations that were expected to provide oversight or investigate corruption became corrupted, including the High Office of Oversight, Supreme Audit Office, and, worst of all, the Attorney General's Office. Almost every agency entrusted with investigative powers used those powers to extort bribes. In addition, there has never been an agreed upon strategy for fighting corruption.

These past efforts to combat corruption provide an experiential reservoir to guide future programs. Foremost among these, as highlighted in our programmatic recommendations, is the importance of understanding those factors and problems susceptible to donor and implementer influence, and those that are beyond reach.

A CRUCIAL MOMENT

The relationship between Afghans and their government is at a difficult point. Their fledgling national unity government is beset by infighting and uncertainty of direction. Tired of seemingly never-ending new initiatives and frustrated by the continued omnipresence of corruption and incompetence, Afghans are losing faith in their government in ever larger numbers.

And, Afghanistan's economic woes are compounding this problem. During a few of the recent years (2007-2008 and 2011-2012), Afghanistan's economic growth was strong for its challenges. Agriculture and aid dependent, Afghanistan is highly vulnerable to economic and political shocks, and reductions in international troop strength and growing insecurity have had a deleterious impact. Its population continues to grow and its burgeoning young population is at risk: each year the labor force growth easily outstrips job growth. [18]

Some of these young people opt to flee abroad—ironically, aided by Afghan government success in reforming the delivery of a crucial service, providing passports—in search of new economic opportunities and safer living conditions. Afghan civil society leader Shaharzad Akbar wrote on *Al Jazeera America*, "Young people in Afghanistan are looking for opportunities, hope, and inspiration. And if they can't find those things, they will leave."[19] Others are giving up on playing by rules that do not seem to apply consistently. Donors and advocacy organizations are equally frustrated.[20]

"By the end of 2016, if major steps are not taken to punish corrupt individuals and remove them from places of power, I think we'll have [run out of] time to recover...This one year is a defining year...People cannot wait for so long."

SOURCE 043, POSITION 042
INTEGRITY WATCH AFGHANISTAN

FOUNDATIONAL FACTORS

The factors broadly affecting Afghanistan's environment and opportunities for improving service delivery are daunting. Continuous and rising violent conflict, weak governing by legacy institutions without a sense of service, increased economic hardship which has caused many to flee the country, and a fledgling coalition government beset by infighting and uncertainty of direction all make change difficult. In each of the many conversations held with government officials, international observers, and civil society advocates, these core issues were cited as fundamental to Afghanistan's ability to delivery services to its people currently. In addition, these issues were also framed as exerting significant influence on Afghanistan's current trajectory politically, demographically, and economically.

Afghanistan is not post-conflict

Afghanistan has been in a continuous state of violent conflict for 38 years, the longest running armed conflict of any country in modern history.[21] This ongoing conflict has ravaged the country's physical, economic,

political, and human capital and has had the most profound impact on the efforts of the past decade to establish stable governing institutions capable of delivering corruption-free public services in Afghanistan.

The start of the current conflict can be dated to April 1978 when a military-backed communist coup overthrew the government of President Daoud Khan. The radical social and economic reforms subsequently implemented by the communist regime provoked an immediate armed resistance prompting the Soviet Union to invade Afghanistan in December 1979 to prop up the faltering government. The Soviet invasion led to a decade-long struggle that left over one million dead or injured, and about three million refugees living in Pakistan and another two million living as refugees in Iran.

After the Soviet withdrawal in February 1989 the Afghan communist government struggled on until 1992 when it ultimately fell to the *mujahideen*, the Islamic resistance fighters. A civil war ensued among the *mujahideen* for control of the country from 1992 until 1996, when the Taliban emerged with Pakistani support to take Kabul and force a coalition of former *mujahideen* groups—the Northern Alliance—into an armed stalemate in a few far Northern districts of the country.

U.S. forces entered Afghanistan in 2001 after the 9/11 attacks in pursuit of Osama Bin Laden and soon forced out the Taliban. However, a growing armed resistance to the presence of international forces and the progressive changes implemented by the government elected as part of the internationally-brokered Bonn Agreement has continued up to the present day. In 2015 the highest levels of Afghan civilian and military casualties to date were incurred.[22] Afghans left the country in unprecedented numbers, with 2000 passports being issued per day in Kabul, a six-fold increase over 2014.[23] In 2015 the Taliban had gained control over approximately 30 percent of the country and had taken control of the provincial capital of Kunduz for two weeks. Additionally, a competing transnational terrorist organization, the Islamic State of Iraq and Syria (ISIS), had established an operational presence in the Eastern districts of Nangahar Province and Al-Qaida had re-established the "largest training camp found in the 14-year war" in Kandahar Province.[24]

The conflict has an ongoing deleterious effect on Afghanistan's government. Historically, government in Afghanistan has been a means of retaining power initially obtained through conflict, not providing effective public services. Afghanistan has never had a functional and omnipresent central system of government; the central government's power did not stem from a social contract with citizens, but from its ability to bargain for the passive or active support of the leaders of tribal, religious, and military factions. In this context, government has existed for most citizens primarily at the municipal level and has operated according to local norms and practices. During the Soviet occupation and *mujahideen* period, this system of governance became largely associated with the leaders of various armed groups. The underlying premise of governance during this period until 2001 was based on control through violence.

From this starting point, the negotiations leading to the Bonn Agreement in 2001 and the resulting governing structures necessarily relied on co-opting military leaders who could act as spoilers to a peaceful future. The Bonn process converted the warlords from the past into politicians of the modern era.

The subsequent focus of the Karzai regime on retaining buy-in from former combatants and power brokers legitimized and strengthened these local power brokers, enabling increasing degrees of impunity. International coalition forces and the donor community also contributed significantly to this process. Coalition militaries worked with former *mujahideen* elements to remove the Taliban and continued to rely on local power brokers to maintain stability outside of Kabul.

Also, military and donor interventions in the earliest days of Operation Enduring Freedom targeted "quick-impact, quick-win" projects in an attempt to influence local populations. These projects further strengthened local power brokers and the lack of attention to accountability helped maintain this informal system at the expense of then-fledgling governance structures. This process of pacifying key groups with power quickly spread to the country's new government agencies. Patronage appointments and nepotism helped some groups claim ministries and fraudulent procurement helped secure control over resources.

Insecurity and corruption: "the new normal"

Given the above history, the relationship among insecurity, corruption, and a weak state is not surprising. Security incidents have increased dramatically from 2014 to 2015 and national surveys show that two-thirds of Afghans fear for their personal safety – the highest level of such concern since 2006.[25] Also in The Asia Foundation's *Afghanistan in 2015: A Survey of the Afghan People*, 90 percent of Afghans reported that corruption was a problem in their daily lives (the highest level ever reported) and 91 percent of respondents reported that corruption was a problem in dealings with local government officials. Survey participants also stated that accessing public services was the third largest problem they faced behind unemployment and insecurity. Those survey participants who said they experienced corruption when obtaining some public services most often faced corruption at the local municipality or district governor's office (66%), the judiciary and courts (63%), state electricity supply (55%), and public healthcare service (53%), followed by public schools (43%). The overall level of satisfaction with government service delivery has fallen in 2015 compared to 2014.[26]

What is notable about these figures is the consistency with which respondents reported that this cycle of fear, insecurity, corruption, and lack of adequate services has begun to define Afghans' expectations for the future. The country has been on a wartime economic footing for so long that younger Afghans (about 64 percent of the population is under the age of 25) do not know what regular economic rules look like, and are attracted to emigrating where those rules are in force and opportunities for education, employment, and stability are available.

As a result, these concerns—insecurity, corruption, and the weakness or absence of state services—are becoming the new normal for Afghans. The proportion of Afghans who say that the national government is doing a good job has fallen from 75 percent in 2014 to 58 percent in 2015. Reported satisfaction with provincial, municipal, and district government has also declined. Most notably, satisfaction with provincial government has decreased from a high of 80 percent in 2012 to 57 percent in 2015.[27]

The Afghan public recognizes these three issues as interrelated and correlated. Respondents to another recent survey conducted in 12 Afghan provinces revealed that the most important consequences of corruption in public services were: a decline in trust of the government, a waste of development resources, and an increase in insecurity.[28] A provincial council member estimated that 40 percent of the reported security forces in Helmand province do not exist, while a former provincial deputy police chief said the actual number was far less than the 31,000 police on the registers. An Afghan lawmaker claimed the government is not responding to the crisis because a number of allegedly corrupt parliamentarians are benefiting from the "ghost" security forces' salaries.[29] Not surprisingly, government corruption and ineffectiveness is a common theme in Taliban social media recruitment propaganda and, perhaps more alarmingly, a recent survey of Afghan National Police found that 72 percent believed that armed resistance by the people is justified against those in government found to be corrupt. [30]

Political Instability

One respondent, a high level official who has served in various roles in both the Karzai and current National Unity Government, stated that, "nothing has worked satisfactorily." Corruption and effective service delivery has been an ongoing critical issue for the last 13 years and little progress has been made despite the introduction of laws, strategies, and institutions aimed at combatting corruption and improving public service delivery. Another respondent said that the issue is less a question of "political will" (especially in the current NUG) than a function of implementation that looks beyond donor-funded programs.[31] For example, several interviewees noted that both President Ghani and CEO Abdullah campaigned to address corruption and improve service delivery if elected. In the view of several respondents summarized by the executive director of an Afghan research and strategy institute, "the NUG itself is a manifestation of corruption having stolen the vote to obtain office" and "casts doubt on the legitimacy of anyone [in government] who advocates for good governance."[32] Despite being tainted with the "original sin" of election fraud, several respondents concurred that both the President and the CEO are themselves "clean."[33] Although they may be surrounded by corrupt supporters, they nevertheless take the obligation to reduce corruption and improve the services provided to the Afghan people seriously.

What these observers and participants point to instead is the NUG's slow start and lack of progress on these goals. Expressing concern over the NUG's stalled progress, they note that too much has been promised and not enough delivered.[34] Many worry about an impending loss of confidence of average Afghans in the NUG.[35] According to a government official who works closely with the Council of Ministers and the Cabinet, progress has been slow because of the infighting between the President and the CEO who "cannot work together." Much of the NUG's first year in office was spent fighting over the allocation of positions between supporters of the President and the CEO.

Additionally, many are discomfited by the new president's style. Several respondents contended the President has centralized too much authority in his office and passed on characterizations of him as a micro-manager who will not delegate power to his own Ministers to make necessary changes. All decisions have to go through the President's office which can take weeks. One high level Afghan official remarked, "The President's own Ministers cannot get access to him when they need to make urgent decisions." Because of this, there is frustration among ministers and their deputies who are otherwise ready to lead reforms in service delivery.[36]

This centralization has led to paralysis, uncertainty, and confusion between the Office of the President and that of the CEO where there seems to be an redundancy of functions in an attempt to accommodate roles for the many supporters in each competing camp. For example, there is much overlap between the Cabinet and the Council of Ministers as well as the many advisors reporting directly to either the President or the CEO. This fragmentation is sometimes replicated in the ministries when the minister is from one camp and the deputy from another.[37]

Another factor impeding reform is the plethora of legacy institutions created at one time or another to deal with some aspect of corruption but whose efforts are often uncoordinated and roles overlapping. The HOO, the Monitoring and Evaluation Committee MEC, the Supreme Audit Office (SAO), the Ministry of Interior, and the AGO all have some role to play in anticorruption activities but coordination between them is not well-defined. Some of these legacy institutions are themselves troubled by corruption.[38] The SAO auditors take bribes to produce favorable audit findings and the AGO anticorruption unit is itself corrupt. [39]

The President, the CEO, and their advisors all have different ideas about how to approach anticorruption. The HOO has had its staff downsized by one third, its budget reduced, and its mission curtailed by the President.[40] At the same time the President has "endorsed" the MEC's anticorruption monitoring tool as the roadmap for the fight against corruption and the Council of Ministers has made a formal resolution directing all Ministers to be responsive to the MEC.[41]

Despite the fact that the NUG has brought in capable Ministers and Deputy Ministers, some of whom are eager to lead reform, there is still resistance to change at the lower levels of most ministries and a demand to reap the benefits of corruption because of low salaries and an environment of increasing insecurity and uncertainty.[42] There is no sense of customer service and an attitude that government is there to provide employment, not service. It is difficult to fire anyone because of the patronage networks that many employees used to get their jobs in the first place.[43] The ministries are a legacy of outdated organizational structures and processes from the Soviet era. There is no desire to change at the lower levels and a lack of capacity to make changes.[44] In addition, the reality of foreign aid delivery also has an impact, as the salaries and opportunities available in the assistance architecture draw Afghanistan's best and brightest away from government service creating a parallel civil service of Afghans employed in embassies, international organizations, and non-governmental organizations. Low government wages have also provided motivation for Afghan civil servants to seek bribes at the point of service delivery to subsidize low wages. Attempts to enhance the capacity of the Afghan civil service have only recently demonstrated potential to make a significant impact on the effectiveness of service delivery.

INSTITUTIONAL RULES OF THE GAME

The 2014 electoral campaign promised change to Afghanistan and its people. Based on his technocratic reputation, Afghans believed that the newly-inaugurated President Ghani would establish an era of significant public administration modernization. Early positive sign, such as the presentation of the National Unity Government's reform agenda at the 2014 London Conference only a few months after the government was formed, reinforced this perception. However, as noted above, the gulf between promise and delivery has now become a defining characteristic of public perception and expectations of the Afghan government.

The NUG struggles with an existential security crisis that takes all of its attention. The perception that well-intentioned NUG leaders don't have their eye on other matters is widespread. "Good governance is a luxury of a political class that is just trying to survive, especially with ISIS at the very gates of Nangarhar."[45] While Afghanistan's government has come a long ways since the Bonn Agreement (as well as since previous eras of the Taliban and the Soviet occupation), vestigial practices remain. Informal allegiances are still seen as the true centers of powers, and many old practices have been cemented into the manner in which the NUG operates.

Most feel that 2016 is a critical year for the NUG and Afghanistan. Challenges range from security, declining economic growth, and pressing political issues, including parliamentary elections and a constitutional Loya Jirga to ratify the Dr. Abdullah's CEO position. In the view of one observer, "If the NUG doesn't change now, it won't exist."[46]

A new Government not governing

The negotiated settlement created rival factions within government and senior officials have focused too much time on an territorial squabbles to establish parameters for a division of labor between the Ghani and Abdullah camps. The result has been logjams and delay at critical policy and process decision points. It took weeks to assign roles and responsibilities for the President vis-à-vis the Chief Executive Officer and to

determine who would make which appointments. Filling the cabinet took so much time that it was not until March 2015 that one could speak of an actual government. Still, senior ministerial leaders focus on the transactional politics of political survival, sending a message that the NUG is not durable enough to govern.[47] Additionally, some crucial ministries continue to lack leadership, including the Attorney General's Office, the Ministry of Defense, and the Office of the Mayor of Kabul.[48] One of the President's senior advisors put it bluntly: "No progress has been made because of the infighting between the President and the CEO."[49] Others describe the NUG as politically "self-destructive."[50]

The frozen conflict thawed near the end of 2015, and 2016 has been relatively calm. One observer has noted that "CEO Abdullah and President Ghani have been able to work together after appointments were made despite many who believed that they would not."[51] Some indicate that the two have found a way to work together and that the government may be on a better track after its initial rough start.[52] However, other respondents expressed concern over improvements that have involved centralization of powers under presidential authority. Crucial government authorities such as public procurement have been quickly centralized. President Ghani's advisors note that the weaknesses in the system required immediate action. Several officials note that the centralization of authority seemed to with the result of an inability to delegate and too little faith in the process of power sharing.[53]

This centralization process further weakened CEO Abdullah and the ministers loyal to him. Indeed, in addition to centralized decision making, President Ghani has also focused on what observers characterize as micro-issues that would normally be on the desk of a deputy minister, not the head of state. The conclusion reached by too many in government has been that authority only exists at the top, which has led to paralysis. Ministers and their deputies expressed frustration at their inability to "to do anything" without first getting approval from the President which can take weeks and sometimes months.[54] Even where centralization has been relatively effective – as has been the case with public procurement – it has come at the cost of time, which has exacerbated negative perceptions of government. Donors, ministry officials, and even staff resisted procurement centralization and the consolidation of procurement offices and procedures in the President's office created new bottlenecks that require resolution. While the process generally succeeded, more work remains and the reputational damage lingers.[55]

The country can ill afford false starts, slow progress, or mixed messages. It already suffers from a convoluted structure that too often fails to deliver. Afghanistan's government ministries and agencies have a long history of poorly defined responsibilities. As one Senior Advisor to the President acknowledged, "there is too much overlap of functions between government ministries and other bodies."[56] These additional structures are layered onto an already confusing array of ministries and agencies with redundant mandates and functions. For example, obtaining a business license can involve numerous government agencies doing similar functions, including the Afghanistan Investment Support Agency (AISA), the Ministry of Commerce, and the municipality (or municipalities) in which the business will operate.[57] Coordination is also a problem where some functional commonality is to be expected, such as in the government oversight responsibilities of the HOO, AGO, SAO, MOF, and the line ministry Internal Audit departments.[58]

The introduction of the CEO position has, at best, compounded this problem.[59] Government employees at all levels regard a Cabinet chaired by President Ghani and a Council of Ministers chaired by CEO Abdullah as evidence that mandate redundancy will continue.

Interviewees also pointed to the lack of clear policy direction and priorities emanating down from senior leadership; even those ready to implement change don't know in which direction to proceed. While the President has sought to address this unintended consequence, he has so far been unable to translate high-

level rhetoric into priorities that are communicated to line ministries for action. Asked about the government reform agenda, respondents complained about a lack of policy clarity with respect to their jurisdictions. Most stated that they had received no guidance nor information about an agenda for reform.[60] Others complained of too much direction: some officials responsible for deterring corrupt behavior and ensuring government integrity complained of competing ideas and plans emanating from the offices of the President, the CEO, and ministry leadership.[61]

Down the organizational chart into the operational levels of the ministries and agencies, some staff may be using the NUG's policy uncertainty and infighting as further justification for rent-seeking behaviors. Not only is there a generalized resistance to change without authorization and strong endorsement from above, but employees also point to low salaries, insecurity, and the NUG's uncertainty as justification for corrupt practices.[62] There are few obstacles to perpetuating corrupt practices. As noted, Afghanistan does not have an institutional legacy of customer service.[63] Moreover, the patronage networks that exist view government positions as simply a source of revenue not a job with attendant obligations or the risk of termination for failure to meet them.[64]

Politicized processes continue old delays

Despite the policy and mandate confusion, many government officials are ready for reform. Respondents in several ministries, however, pointed to human capital problems as their institution's biggest challenge. Afghanistan faces multiple mutually reinforcing challenges to filling government jobs with qualified staff interested in the work. The pool of potential government employees has been weakened by on-going conflict, which fuels emigration and low education attainment. Indeed, a generation of influential Afghans who helped lead the post-Taliban development efforts is giving way to a younger cadre of leaders. These young people have been strongly influenced by the decade of international involvement, which has afforded many unprecedented educational and professional experiences. However, the human capital to lead and manage Afghanistan's next decade is trying to decide whether to stay or pursue opportunity abroad.

In addition, the appeal of government work has diminished in comparison to other opportunities, especially those with the international community that offer higher salaries, more opportunities for training and mentorship, and real work responsibilities. Low government salaries are a complicating factor to many other challenges (including those identified above) to consistent and effective government performance.[65]

At the top of nearly every respondent's list of concerns was the appointments process used to fill many government positions. Nepotism is rampant throughout government with hiring choices made based on family, political, ethnic, and/or tribal affiliations. The result, say many, is a cadre of officials in every agency who are not capable of, or completely uninterested in performing, their jobs.[66] For example, through connections, applicants to government jobs will obtain aptitude and skill exam questions in advance.[67] It is also common for unqualified applicants for government positions to appeal to Parliamentarians; these elected officials act as middlemen, advocating for and often taking money from applicants or their affiliates to secure them a government position.[68] Parliament's influence has grown with new democratic capacities: some representatives are said to use the threat of impeachment to influence minister's decisions.[69] One respondent bemoaned the difficulty of firing low level ministerial employees for poor performance because resolving the ensuing flood of complaints from the employee's tribal and family connections is too costly and difficult.[70]

Many ministerial reform agendas, such as they exist, appear to be foundering on the shoals of Parliament and its associated processes. In addition to interference in the appointment process, parliamentary process slows down progress. Most reform initiatives requires some manner of parliamentary action, either in the form of new legislation or as amendments to existing laws. To get to parliament, every proposal must pass through

the Ministry of Justice's Taqnin (legislative drafting) department, which is simply unable to keep up with demand.[71] In addition, most of the Taqnin's agenda comes from requests from senior officials. The department completes about 80 drafting assignments each year, only 20 of which were part of its annual legislative plan.

The Taqnin department has its own difficulties. It has a complement of 77 professional staff and 20 interns. These staff grapple with a number of internal and process challenges. Ministries do not have staff trained to transform policy or procedure into legislative language, so the quality of the documentation received from ministries is often poor and requires significant revision. Professional staff will not work overtime without compensation and few incentives exist to facilitate such overtime. Also, even after submission, ministries continue to request changes which significantly affects the Taqnin department's workload.[72] Further, like many Afghan government agencies, the Taqnin department faces policy, leadership, and infrastructure (lack of consistent electric power, appropriate computers and printers, functional furniture, etc.) problems.

After legislation reaches Parliament, additional delays ensue. There is often no quorum and only a few hours for plenary discussion. Parliamentarians are reported to seek bribes to work, to approve appointments, and to pass legislative measures. The Ghani administration's efforts to crack down on these practices makes the prospect for quick legislative action remote.[73] Laws have been rejected without reason, which brings reform progress to a standstill. For example, a draft Anticorruption Law many believe comports with UNCAC requirements was rejected by Parliament, which in turn delayed plans for implementing asset verification policies and procedures.[74] Despite these challenges, the extensive lobbying and educational efforts to support the successful passage of the Procurement Law appear to confirm that it is possible to overcome Parliament's tendency to delay.[75]

HERE AND NOW

Afghanistan's struggle with corruption and poor government performance has reached a tipping point. Several respondents highlighted growing citizen mistrust and plummeting expectations and suggest the government's efforts do not seem to be able to overcome the challenges it faces. They note a limited time to reverse the trends of overpromising while under delivering and of continuing the visibly ineffective practices of the past. Despite its difficulties, the NUG has appeared to be taking the problem of corruption seriously. Over its relatively short tenure, the NUG has made several visible steps to address the issue.

Big gestures, limited changes

The 2015 appointment of Mr. Ahmad Zia Massoud was a high-profile acknowledgement of the problem that government performance presented to the Ghani administration. In his position as Special Representative for Reform and Good Governance, Mr. Massoud, a former Vice President during the Karzai administration and well-known public figure, carries vice-presidential level authority and responsibility for leading initiatives related to improving government performance, fighting corruption, and coordinating donor engagement. [76] However, like the NUG, Mr. Massoud's office got off to a slow start, and his appointment only adds to existing confusion over which office is in charge of what activities.

In addition, the MEC, which underwent a difficult period during 2015 including the high profile resignation of senior staff and some international members, continues to occupy a potentially useful position. And, its staff are nonetheless looking ahead to the role the organization will play in pushing the anticorruption agenda forward.[77] Also, plans for a new entity to combat corruption were recently made public. During the field research, it was widely reported that a new initiative was in development, a "High Council" focused on the

corruption issue. On March 19, 2016, President Ghani issued decree No.168 establishing the High Council for Governance, Justice and the Fight Against Corruption.

Chaired by Ghani, the Council will include a number of high government officials, such as CEO Abudallah, both Vice Presidents, the Chief Justice, Attorney General, and Director General of the Supreme Audit Office. Also on the Council will be the President's Senior Advisors for Justice and Transparency, Director General of the High Office of Oversight, the Chairman of the Civil Service Commission, and the Director General of the Independent Directorate for Local Governance. The Council will have a variety of powers and be supported by a secretariat headed by the President's policy unit. Perhaps in recognition of the growing citizen concern, the decree emphasizes that the Council will focus on corruption prevention, public outreach and civil accountability. At this point, several key questions remain about the Council and how it will fit into the existing Afghan government architecture for fighting corruption and improving service delivery, notably the role and work of the Special Representative Massoud's office.

Also during field research, many respondents pointed to the consolidation of Afghanistan Reconstruction and Development Services, Procurement Policy Unit of the Ministry of Finance, and the MOF Contracts Department under the National Procurement Agency (NPA) as the best step to date in the "right direction" for improved public administration.[78] In addition to establishing a mostly effective process, the NPA is propagating reform into other agencies of government. It has established a procurement framework for Afghanistan and is reviewing ministerial procurement (which continues to exercise procurement authority) for compliance. This review process is solidifying standards as well as weeding out bad actors. It has led to debarment proceedings for nearly 60 companies for offenses including falsified bank statements and misrepresentation of past performance. Procurement reform has been a bumpy road, with multiple challenges ranging from political opposition to parliamentary interference to criminal bribery, but it remains a solid success the NUG can legitimately claim.[79] However, as a replicable model, it contains too many difficulties, including its reliance on centralization and the corollary impacts described above.

There are also a few cases of 'self-starter' reform success. For example, despite the NUG's lack of policy clarity and Afghanistan's historical problem with overlapping jurisdictions and ineffective processes, the Minister of Labor, Social Affairs, Martyrs and Disabled found a problem she could solve. Motivated by complaints of pensioners not having received payments for over two years, the Minister championed replacing the agency's manual record keeping system with more modern methods. With World Bank assistance and the Minister's support, the Ministry's new digital system uncovered 57, 000 people receiving illegal pensions, including individuals collecting payments for up to 500 different people, many deceased. The process also revealed how Ministry officials were making multiple pension cards as well as other forms of fraud. Several staff members were dismissed. The Ministry now has a blueprint for the process of reforming how it pays out disability benefits.[80]

The Ministry of Interior had a similar success with the transition from manual passports to digitally printed travel documents with bar codes and biometric recordkeeping. In 2015, the MoI was able to issue nearly 700, 000 new passports in record time. An online application system that includes a partnership with the National Bank and the Ministry of Communications and Information Technology (MoCIT) is planned. In addition, when a glitch arose, the Ministry learned a series of valuable lessons about redundancy planning and conducting vendor surveys for needed support (such as repair and replacement of equipment) that it hopes to pass on to other ministries. The MoI is developing plans to make applying for and receiving a passport easier in the provinces through regional offices.[81]

Ideas with momentum

Two significant and related ideas are receiving high-level attention and endorsement. Both President Ghani and Special Representative Massoud have been active on e-governance and business process reform. These ideas can build on major efforts implemented with significant donor support, including the Citizen's Charter (the successor to the National Solidarity Program), Capacity Building for Results (CBR, a large effort that will continue into 2017), and multiple good governance initiatives. Several ministries are involved, including some that have effectively benefitted from assistance for years, such as the Ministry for Rural Rehabilitation and Development (MRRD), and others that have labored in relative obscurity, such as the Civil Service Commission. Whether and how these policy announcements are translated into effective, coordinated implementation will likely define their chances for success.

President Ghani would like information technology to play a role in providing services with integrity and consistency. He has directed MoCIT to aggressively "use IT for service delivery."[82] The President has articulated three priorities: automate revenue collection, implement management information systems in government agencies, and develop G2C (government to customer) delivery systems such as online applications for services and direct deposit of salaries.[83]

The President has solid reasons backing up this request. MoCIT has made strides creating the IT and telecommunications infrastructure that can support e-government services and has guided the development of supporting regulations and legislation to make it possible (e.g., data security standards, electronic signature rules, electronic banking procedures). Afghanistan's ICT sector has prospered in the last decade despite governance and security challenges. Since 2001, investment of nearly $2.2 billion has improved the subscriber base for mobile, landline, and satellite voice services to 24.3 million, or roughly 89 percent of the population.[84] Internet access is expanding rapidly due to the ubiquity of mobile phones whose penetration rate is estimated to be between 70-80 percent.[85] A critical mass of wireless, wide- and local-area networks as well as computer hardware, software, and peripheral IT equipment exists. A national fiber optic network of 3,600 km connects all key cities, and is accessible to approximately 80 percent of the population in 25 provinces.[86] Afghan Telecom (AFTEL), a wholly owned subsidiary of MoCIT, operates this network and the satellite-based Village Communications Network that provides voice and data connectivity to remote areas of the country. Additionally, four private sector 3G mobile operators, three to four locally branded smart phone providers, and over 50 Internet service providers augment Afghanistan's burgeoning communications infrastructure.

The government has also pursued a policy and regulatory framework to enable private sector participation and encourage competition. It has allowed local and international investors to operate in a competitive market for communications, bringing other developing countries' experiences to bear on Afghanistan's unique challenges. The MoCIT and the Afghan Telecom Regulatory Authority (ATRA) have sought to provide a business-friendly regulatory environment.[87] The process of creating the key building blocks of this regulatory framework have also created a number of tech-savvy bureaucrats in several ministries.[88] In addition, the 64 percent of the population that is under 25 and more tech-savvy than their predecessors are driving a still-growing mobile phone penetration approaching 80 percent of households. In addition, this same demographic is poised to enter the workforce (both government and private sector) to replace retiring older workers.[89]

MoCIT signed ten e-governance Memoranda of Understanding (MOU) with nine ministries and the Civil Service Commission with an eye towards transitioning at least 70 percent of paper-based public administration to electronic formats within two years.[90] MoCIT hopes to replicate the same market-driven, private sector-led approach that midwifed the country's ICT capacity. The ministry has a track record of success as well as many managers with advanced degrees from international institutions. MoCIT provides

email, Internet, website, and backup services to all government agencies. It also operates a data center storing management information system (MIS) data from 12 agencies, including the Central Bank.

President Ghani and Special Representative Massoud are also passionate about business process reform as a method to consolidate the results of other projects (such as NSP and CBR). CBR is a $350 million program that runs from 2012 to 2017 to advance public administrative reform in key ministries that have large budgets, key services, or regulatory functions. NSP is a major program (from beginning to end, estimates calculate investment in NSP in excess of $2.5billion) focused on development in rural communities, working with the support of several donors and, under the aegis of the MRRD, with multiple ministries, provincial governments, and municipalities. From building schools to creating new access to clean water to training government officials, NSP aimed to connect Afghan citizens with their governments in a tangible, immediately beneficial manner.[91] CBR has had success with a structured reform process that involves a plan supervised by the CBR Steering Committee, paid technical assistance, and strong monitoring processes with incentives (ministries that perform well are eligible to receive additional development funding).[92] These two efforts have both planted seeds for larger scale reform of how the government conducts its business and treats is citizen-customers.

The CSC reports that it has identified 367 processes in need of simplification and that the President and CSC have prioritized 159 based on the number of people served and revenue generated. Currently, CSC claims that it is working on simplifying 72 processes with the affected ministries. The CSC process is straightforward: first, CSC and the ministry map the current process, identify essential aspects, and design a new process; next, they develop a service standard and chart parties responsible for each step and how long it should take to complete; then, the CSC Administrative Reform Secretariat monitors implementation and conducts in-depth reviews of procedures when needed. The President has also directed the CSC to identify overlapping mandates of government institutions in an effort to eliminate overlapping functions. The CSC has identified 21 duplications in the government structure and recommended eliminating four ministries and three independent agencies and changing the title of some ministries.[93]

The World Bank plans to roll out a successor program to NSP, the Citizens Charter, which will collaborate with community development councils in the planning, implementation and oversight of development projects in their communities. The Bank expects that changes in service delivery processes will figure prominently in CSC priorities. Several government agencies, including the Independent Directorate of Local Governance, MOF, the Ministry of Defense, the Ministry of Health, and the Ministry of Economy (MOE), participated in the development of an initial concept note, which will be shared with the international community once completed.[94] This program will also capitalize on prior efforts to foster community participation in budgeting. The MOF Provincial Budget Policy will start implementation soon in pilot ministries, such as MOE, the Ministry of Public Health, MRRD, and Agriculture. Plans to transfer responsibility for delivery of certain services from ministries to their directorates will require a review of ministry functions, mapping of service delivery and recommendations on which services to transfer, as well as budget planning, execution, and oversight.[95]

A need for coordination and communication

Despite these reports of progress, some e-government initiatives have stalled for years. Some argue that the President is not happy with the slow progress and lack of results.[96] It is evident that clear plans and priorities are hard to identify. Many agencies want to use IT to become more efficient, but there are few ideas beyond electronic payments of salaries. Despite the initial progress on the regulatory framework, some non-MoCIT experts believe that e-government processes need a more robust legal framework than currently exists.[97]

The Ministry's e-governance directorate is trying to move the President's request forward, though it may lack the capacity to effectively do so. It provides a back-end processing unit for the E-Tazkira initiative, conducts

pilot projects in telemedicine, distance learning, and digital books, and it is operating an incubation center for start-ups and funding mobile and ICT innovations. Separately, MoCIT is involved in the development of a mobile Service Delivery Platform (called mGov), which has created some 30 apps to allow constant access to services in health, education, agriculture, and rural development. A full rollout of mGov has been delayed because the Ministry has not been able to get the four privately held mobile carriers to agree to not charge citizens a data usage fee when they use the app. Though energetic, the Ministry seems to lack focus and is pursuing too many peripheral projects of uncertain value.

In addition, there is apparently improved coordination between the MoCIT and CSC. CSC reports that it would like to integrate technology into simplified business procedures, but is limited by resources and is pursuing no-cost solutions.[98]

With regard to simplifying procedures, there is confusion among ministries about whether business process reform is a government-wide goal, or the province of a specific agency to lead. For example, building on Presidential enthusiasm following a visit to Azerbaijan, the MOF recently created the Asan Khidmat initiative, which is intended to provide a one-stop shop for a variety of government services, such as passports, licenses, birth certificates, and business licenses, with an eye towards increasing efficiency, reducing corruption and enhancing service quality. The Government of Azerbaijan has agreed to conduct an assessment of all ministries and then share their system with Afghanistan. The project will be overseen by MOF for the first year, and will subsequently be overseen by the office of the President. MOF will contract with MoCIT for unspecified services, and there are plans to establish a headquarters in Kabul, three branches in Kabul, and branches in five other zones.[99]

In addition to business process reform, CSC may soon be asked to assume responsibility for administration (and vetting, interviewing, and supervising) of ministry appointments. CSC once held this responsibility, but based on numerous complaints the power was transferred to individual ministries which may have increased politicization of the appointments process[100].

In addition, CSC may need to bring more rigor to its processes. Some respondents report that in its survey of duplicative government services, CSC may have been too superficial and relied too much on names of ministries and divisions rather than their functions. As such, the CSC has reportedly been ordered to conduct a more detailed department by department analysis. Regardless, the process of eliminating or restructuring government entities could become very political. For example, one obvious duplication is the mandate of AISA and the Ministry of Commerce, both of which are appointments recommended by CEO Abdullah.[101] CSC will also have political, legislative, and regulatory changes to manage. CSC has prepared a "Next Generation Public Administration Strategy" and a new Administrative Procedures Law, both of which await Cabinet approval.[102] The need for an Organizational Structures Law and Civil Servants Law has been identified, but there is nothing currently under development.[103]

CONCLUSIONS

Afghanistan is in a moment of opportunity and crisis: it must address the real, long-standing concerns of its citizens, and quickly. But the resources available to meet this challenge are limited by history, available funding, and capacity. Officials interviewed for this analysis were cognizant of this present challenge and committed to meeting it. They were also eager for help.

Formulating a plan to assist the Afghan government and citizens in this regard would be more straightforward if the focus could remain on technical factors. Taking a "scientific" approach, however, would be a mistake, as governing effectively is as much art as science. But, the myriad feedback loops – informal, formal, and even criminal – that exist between a government and its citizen are as many and as complex as the interactions between them. Reducing this complexity to a process description and data risks what scholars of government service delivery have described as "isomorphic mimicry": form, with the needed substance; activities and services without the political authority and appropriate incentives to be durable and adaptive.

In the course of this analysis, respondents, citizens, and experts agreed, using descriptive language as varied as their perspectives, in principle on a number of points. We have summarized these below, grouping them in two distinct levels. First, we lay out the important 'framing' matters, which we have labeled "Key Factors." These are foundational issues undergirding how reform and assistance should be understood. They include key assumptions that, if they change, will alter how implementation happens and expectations for success over time. In addition, these include perspectives on implementation, which coincide and are drawn from programmatic lessons from similar, previous efforts seeking to change government-citizen service delivery exchanges for the better. Naturally, Afghanistan's challenges should be understood first and foremost in the context that is unique to its circumstances.

We next summarize these factors into a theory of change, a causal model for assistance to Afghanistan in this unprecedented moment. This model attempts to represent these factors in practical "what next" context. To do so, we first developed a set of desired outcomes informed by these factors. Next, we have formulated preliminary programmatic lines of activity to achieve these outcomes.

KEY FACTORS

Political Authority.

No effort to reform the means and methods by which governments actually govern can succeed without political backing. The challenge is to see political authority in its truest sense: variable and complex. As such, political authority is more than political will. It goes well beyond having the most senior available political leader endorsing the program of assistance or speaking at the ribbon cutting ceremony. Rather, it involves a continually-refreshed understanding of where power lies, how it is exercised, and what concerns those who possess it. The always-varying answer to these questions is more than a question of law or position, it is often an informal matter. The power to positively affect the process of changing how services are delivered to the public may, or may not, rest conclusively or exclusively with the most senior political figure, in this case President Ghani. Political authority is delegated, formally, and like trust, informally.

The question of political authority also implicates the political space for reform. No public sector change assistance can succeed without understanding the problems it is attempting to address. In turn, such understanding must be informed by a similar grasp of the politics of that problem. How do identifiable centers of power view that particular problem? What are the incentives and interests in relation to current government practice? Public sector reform is not a solo practice, for recipient, technical assistance provider, or donor; it is an exercise in collective action.

Our analysis of Afghanistan's service delivery problems identified two distinct pockets of political interest in reform. At the very top – President Ghani, Vice President Danish, Special Representative Massoud, and their senior advisors – share an urgent understanding of the problem. And, in the wide middle of government, at various levels of supervision over certain public services, we found officials eager for reform but lacking in direction. The incentives of these two general groups differ significantly along with their ability to foster and facilitate reform. Both groups, according to their authority and interest, should be involved directly and consistently in the process of fostering planned service delivery reforms. To effectively corral such diffuse public authority, the means of doing so must be built into how the program is implemented and prioritized. We have included a distinct set of mechanisms to harness and encourage political authority into our recommendations, including public profile initiating events, regularly scheduled stocktaking exercises, and independent civic monitoring. Their implementation will require coordinated action on the part of Afghan stakeholders, assistance implementers, and donors.

Focus on problems.

Many of the prior efforts at promoting oversight of government officials with an eye towards encouraging good governing in practice, we observed, appear to have been founded on an assumption. To be sure, these syllogisms had compelling logic: if an independent government agency has the power to investigate allegations of corrupt behavior, records and publicizes the assets of government officials, and engages the public, then the incidence of corrupt behavior will be reduced through deterrence and detection. But, experience both in Afghanistan and other similar public sector programs indicates that the scope of such efforts should be smaller.

By selecting a limited number of government-provided services and focusing on identifiable, observable problems, defining assistance outcomes and measuring progress toward them is easier. Moreover, it allows more specific understanding of the political interests and incentives for (and against) those outcomes. In Afghanistan, reform initiatives are plugging away, in spite of significant obstacles.

Don't reform alone.

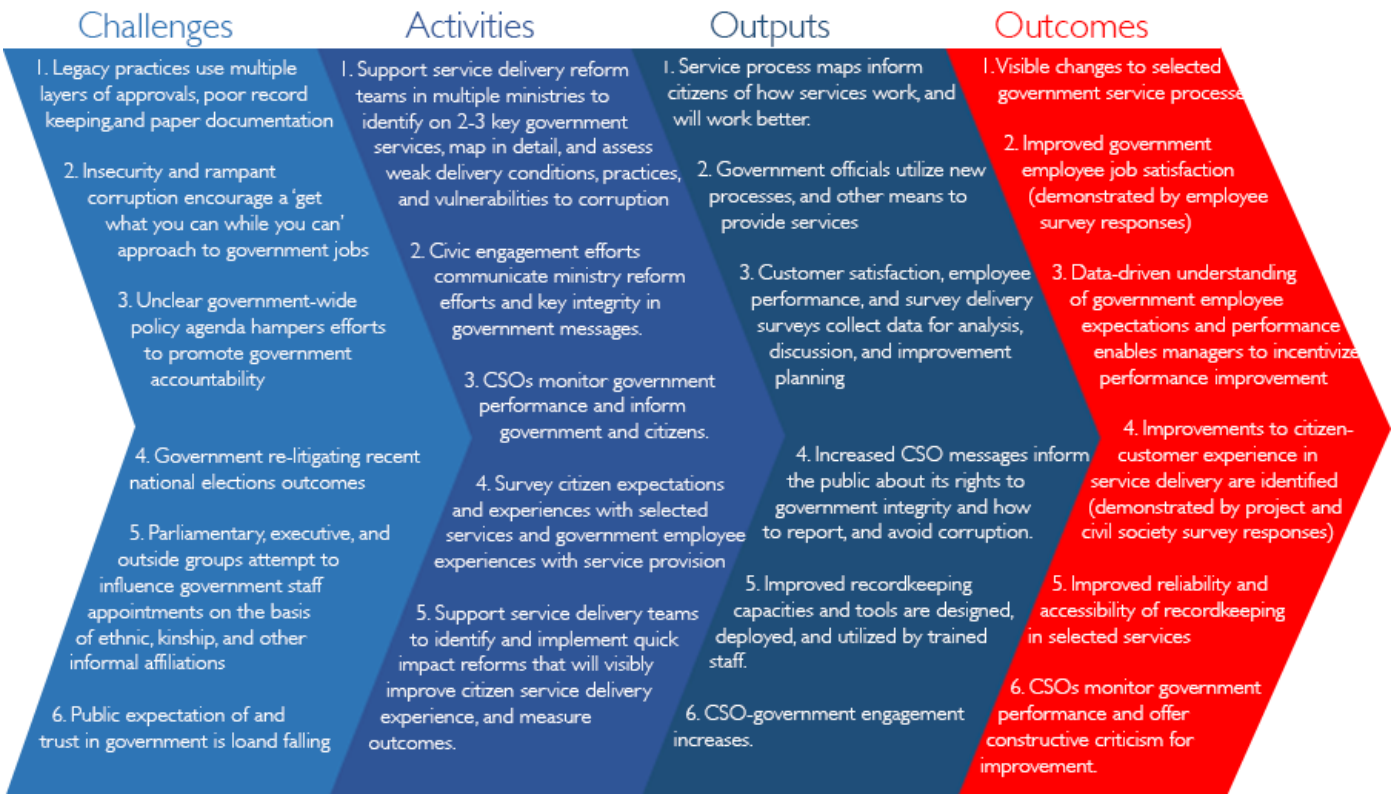
Public services are a group endeavor, involving not only the specific offices or individuals involved in the service transaction, but a host of supporting actors, from the technicians who service the computers to the family members who invest in a new business venture. Likewise, technical assistance is a similarly collective effort of stakeholders ranging from project and home office staff, donor and intergovernmental officials, and other implementing actors.

Our interviews quickly yielded many stakeholders in reform, including managers and deputy ministers in responding ministries as well as interested political actors, such as the office of Special Representative Massoud, Parliamentarians, and civil society actors. We believe this reality requires not only that reform be conceptualized and facilitated by teams, but also that measurement and communication roles be likewise shared.

Expect Evolution.

No project follows the (usually) linear trajectory hoped-for at its outset. Rather, public sector reforms respond to the politics of the moment, the demands of stakeholders, and the challenge of the obstacles presented.[104] In service delivery problem-solving that involves technology solutions, politicians play close attention and may seek to influence policy post-adoption of IT solutions.[105] In Afghanistan, there is substantial momentum and recently stood up infrastructure for e-government solutions; but, it is possible that some of the services most utilized by the public may not be susceptible to immediate IT-focused fixes. However, the problems of policy incoherence, overlapping responsibilities between different levels of government, and rent-seeking must be considered. Our interviews confirmed that pockets of effort exist to reform in various Afghan agencies.[106] In addition, they also raised the likelihood that reform is proceeding in a direction defined locally, by those involved according to the context in which they operate. This is a dynamic process that should be engaged, not necessarily directed, and definitely not co-opted.[107] The project must maintain flexibility to proceed at whatever pace may be possible in an agreed upon direction.

Afghanistan Service Delivery Improvement Causal Model



THEORY OF CHANGE

Every attempt at technical assistance begins with a goal, a programmatic purpose. In this context, the purpose is to enable the NUG to demonstrate visible improvement in how two or three priority services are delivered by Afghan government to Afghan citizens. Given the context, the timeline for demonstrating such

visible progress is immediate: that is, *within one year*. Our theory of change posits both that such change is possible and that the visibility of positive change to Afghan citizens will blunt the now continuous erosion of public confidence in the NUG.

ASSUMPTIONS AND RISKS

Assumption: A Defined Project Focus.

As detailed above, if this project is founded on an institution or a strategy, it will have limited success (if any) that will be hard to identify and describe. To ensure planned outcomes, the project will remain focused on visible, quick-impact changes to services afflicted by so-called 'petty' corruption.

Assumption: Political Authorities Are Involved.

Afghanistan's problems with policy clarity and the NUG's history of 'false starts' on the issue of corruption in public services require a visible role in the project for senior political leaders. A sponsoring, endorsing, problem-solving level of involvement is assumed for senior Afghan government officials.

Assumption: Relevant and Required Agencies Are Involved.

The ministries responsible for the public services targeted for reform will obviously need to be involved. However, other key government institutions, such as the Civil Service Commission (business process simplification mandate) and the Ministry of Communication and IT (e-government mandate) will also need to be involved.

Assumption: A Working Coalition Can Be Maintained.

The NUG swims in a sea of spoilers. The project will need multiple means of involving and communicating with stakeholders, which include government personnel as well as representatives of civil society organizations, media, and religious leaders. Many of these have conflicting agendas, as evidenced by the difficulty stakeholders in Afghanistan's extractives industry are having maintaining the country's participation in the Extractive Industries Transparency Initiative (EITI).

Risk: Waning Political Interest.

Political leaders, from President Ghani and others in the administration, may not be initially willing to play the role – that of active, "out front" leadership – required of them. Other crises and electoral outcomes can easily distract (or dissolve) political supporters. Both the office of Special Representative Massoud as well as the soon-to-be-formed High Council for Anticorruption are temporary, established by Presidential decree. Also, in heavily donor-funded Afghanistan, several government ministries, including Special Representative Massoud's office, seek more substantial institutional support (e.g., back pay, additional personnel, vehicles, international travel) than is available. The unavailability of 'perks' may blunt support for the program.

Risk: Managing Expectations.

Public sector reform is, to an extent, in the eye of the beholder. There will be significant expectations that results will benefit or disenfranchise some constituency, and in turn these concerns can impact program effectiveness. Good baseline data and regular public communications will help ameliorate this potential problem. There is also risk that a focus on two or three services may be perceived as "too little, too late."

Risk: Maintaining Citizen Credibility.

Afghan civil society organizations have become increasingly competent at, and are continuously inventive of new means of monitoring government action and officials. Trust in government is scarce, and to have the desired effect, reform must be identifiably public and readily tangible. As a result, civic organizations are a needed partner but their gadfly role vis a vis government may make relationships difficult to maintain and jeopardize the project's inclusiveness.

AERCA PROGRAMMATIC RECOMMENDATIONS

Political Authority Recommendation 1

Establish a project presence in the Office of the President. The current political pressures buffeting the Office of the President provide a degree of political impetus to reforms that have some likelihood of bolstering citizen faith in the NUG. And, the track record of 'top down' reforms offers a methodology of achieving needed basic policy clarity problems facing the NUG. Having a platform from which to elevate these issues for resolution will be crucial to maintaining momentum and meeting the recognized need for immediate visible results. The project presence should take a form that accord with expected announcements by the Office of the President of a new impetus for reform and combatting corruption. During implementation, however, given the likelihood of elections and accompanying political uncertainty, AERCA should maintain focus on reforms at the level of government interface with citizens.

Political Authority Recommendation 2

Involve responsible ministries in the selection of priority services and development of the service delivery map, and support existing reform momentum. Interviews for this PEA indicated a reservoir of senior- and mid-level ministerial leadership interested in reform as well as a concomitant frustration with political centralization of certain powers within the Office of the President. Should the President announce new initiatives for combatting corruption, these may offer an opening to donor projects. Reform initiatives may offer opportunities for dissatisfied ministry leadership to channel their concerns into concrete actions, and subsequently report positive steps back to NUG leadership. Forming service delivery reform teams that include, even if only for scheduled stocktaking exercises, senior leadership will help solve collective action challenges as well as hidden incentive obstacles.

Focus on the Problem Recommendation 1

Map the service(s) in detail. This type of analysis will provide a window into where opportunities to ameliorate process inefficiencies and capacity deficits exist. Service delivery reform involves managing the tensions that exist between the focus on changing processes and systems and on improving the skills of government workers. Each involves time, credibility, and discipline – mapping services helps identify problems that can provide a central focus, a defining 'space' to connect these two efforts in specific ways. Mapping services involves asking a combination of qualitative and quantitative questions. How does the existing process flow and what are the steps? How is it delivered? What triggers the process and who is the ultimate recipient of the service output? Who performs each step of the process? What forms or tools are used? How long does the process take? How many times is the process performed in a day/week/month/year? Where are the approval points?

Focus on the Problem Recommendation 2

Work with the responsible ministry to form a service delivery reform team. As one scholar of public sector reform recently noted, "reformers are always there."[108] The basic objective of this project, informed by the above analysis, is to foster immediate visible changes in how Afghans receive and experience the process of receiving government services. To do so will require finding those Afghan government officials – some of whom volunteered themselves or their colleagues during our interviews – interested in and working today towards specific reforms. Encouraging teams to self-assess and self-diagnose will allow them to identify organizational strengths and weaknesses and take ownership over a reform plan.

Focus on the Problem Recommendation 3

Take the time to collect solid baseline measurement data. Demonstrating progress of improved government integrity should not be an argument over perceptions, though respect for negative perspective on government services should always be understood as valuable to the reform process. Rather, change to public service delivery can be defined and demonstrated. Once services are selected, survey data should be collected on both qualitative and quantitative dimensions of the service. How much time does the service take? Which steps take the longest? How many people seek this service? How do they perceive the process? What are their suggestions for improvement? How do employees and managers providing the service view their work? What are their suggestions for improvement? These are a few of the questions that customer satisfaction, employee satisfaction, and efficiency quality surveys can reveal.

Focus on the Problem Recommendation 4

Service delivery reform is a multi-layered problem. In addition to problems of capacity and resources, very often responsibilities are distributed poorly among levels of government resulting in unclear distinctions between roles and/or overlapping responsibilities. It may seem straightforward to focus on achieving policy clarity among these actors, but decentralization reform can be a tricky and time-consuming process.[109] The political economy of each individual service is complex and will take time to unpack.[110] By focusing on specific problems – ideally and initially at the citizen end of the service delivery chain – smaller, but more immediate effect can be achieved.[111]

Don't Reform Alone Recommendation 1

Prioritize public communications. Government institutional reform is easier when it can be clearly encapsulated. Using public communications, a media campaign, and civil society actors to raise the profile of reform efforts, chronicle its progress (including setbacks), and educate the public will be helpful. Specifically, public communications will also highlight government progress and educate the public on how to better, more effectively access services. A media campaign to improve information deficits among citizens and public servants alike. Collecting and disseminating data can build an understanding of the complexity of the reform as a means of helping potential spoilers to root for progress. There should be three key goals in such efforts: providing a sense of reform goals and direction, accumulating feedback and reporting progress, and improving understanding of public services.

Don't Reform Alone Recommendation 2

Regularly seek stakeholder input. Also, continuously seek broader feedback. Analysis of prior reform efforts has indicated that positive contributions to reform efforts can come from many corners within and outside of government.[112] Afghanistan has benefitted from a number of prior capacity development and institutional reform efforts. There are a number of good examples and experienced reformers currently serving in Afghan

government positions. In addition, Afghanistan's NGO sector has been steadily improving its capacity to reach citizens and carry their concerns to interested parties. These are two resources that AERCA should capitalize on during each stage and cycle of reform.

Don't Reform Alone Recommendation 3

Engage civil society organizations as active monitors of the government's efforts and as platforms for more effective communication between the government and citizens. The community and civil society-based monitoring model has proven successful in Afghanistan and can provide much needed information about the status of a reform process that is useful for both citizens and the government. There are a number of civil society organizations who have the capacity to be engaged watchdogs, tracking government promises, plans, and actual outcomes. Citizen-led monitoring efforts will serve an important role in data gathering which can be used to push the current administration's promises for reform into tangible realities. Moreover, civil society organizations must be supported to play a role as communicators of successful reform efforts. At this time, Afghan citizens must see reforms are taking place and creating tangible benefits in their lives. While the government's own outreach and communication efforts must be improved, civil society actors can assist in bridging the gap between the government and citizens to communicate the reform efforts that are taking place and, most importantly, how citizens can access improved services as a result.

Don't Reform Alone Recommendation 4

Engage civil society organizations as policy and legislative advocates to ensure reform processes continue to move forward. In order to effectively use the information gathered from civil society monitoring efforts, civil society organizations must be supported to advocate for improved service delivery. In the current administration where political will for reform is mixed, civil society organizations must play a significant role in keeping the reform ball rolling through targeted and well-informed advocacy.

SUPPORTING REFORMS TO SELECT PUBLIC SERVICES

As the discussion above explains, the NUG faces a critical moment this year in terms of demonstrating its value to Afghans. In Afghanistan today, perception matters as much as performance.[113] In the course of its interviews, the PEA team discussed a variety of services with Afghan government officials. Identifying which services for AERCA to focus on will involve a number of criteria.

Timely and Visible Performance Improvement. One of DI's key criteria will be the ability to quickly and visibly improve performance in the service delivery channel closest to citizens.[114] This consideration militates in favor of focusing on those ordinary services commonly used by Afghans.

Government Agency's Openness to Hearing from Its Constituency. A second consideration will be the responsible Afghan agency's ability and willingness to engage its service constituency. Citizens often do not know as much as either they would like to or should about their government, and often misattribute services to the wrong agency or even to non-state actors.[115] The services selected should involve ministries that are willing to better understand how to serve their constituencies. This might include an interest in customer satisfaction research or public outreach efforts.

Government Agency's Willingness to Attempt Reform. It will be important to ensure that any project has buy-in from the government, which means that DI's project must support current government initiatives that have momentum. As noted above, several service delivery reform initiatives are underway, loosely coordinated by Special Representative Massoud's office. Some agreements are already in place, as representatives

of both the Ministry of Communications and Information Technology and the Civil Service Commission indicated. In addition, projects following in the footsteps of the National Solidarity Program, such as the Citizen Charter project, offer platforms to galvanize additional resources to improve services. It will be more efficient to join and support these efforts.

Process for Implementing and Measuring Reforms. The steps required to reform the service (for example, whether it will require a change to the law) and the ease of measuring improvements will be valuable factors to consider in the Afghan context.[116] Civil society interest in participating in service delivery improvement efforts and in providing social auditing to inform the public about services as well as progress made on reform efforts will also play a strong role.

PRELIMINARY SERVICE SELECTION

As part of the PEA, DI's team conducted focus groups to identify services that are widely important to Afghans and those perceived as not working as well as expected. As a starting point (which will be detailed in a workplan and presented separately to USAID), ten services will be identified based on the criteria identified above. We will subject these services to an in-depth service value chain mapping exercise, which will provide data to answer remaining questions and, as needed, adapt reform plans. From this list of ten, we will select as many as three to partner with for service delivery improvement programming. The services we have identified include the following.

Ministry	Service	Why?
Ministry of Labor and Social Affairs	1. Disability Payments 2. Martyr Payments	• The service is notoriously corrupt with the problem of ghost payments. • The Minister has requested assistance with the reform of both these services indicating political will to change. • The Minister has a demonstrated track record for implementing some reform in the pension administration process already. • Together they affect an estimated 800,000 to 1.1 million people every year.
Ministry of Interior	3. Driver's License Issuance 4. Vehicle Registration 5. National ID (Tazkera)	• Some work has been done on driver's license and vehicle registration but both are still rife with corruption, e.g. the going price to exempt for the mandatory rules of the road class to obtain a license is 5,000 AFs • The DL and VR processes affect an estimated 250,000-300,000 people per year. • The issuance of new and replacement national ID cards (Tazkera) affects about 1.2 million people a year. There may be an opportunity to simplify the existing process (not e-Tazkera) that could lay the foundation for a future effort to implement an e-Tazkera and improve the "customer experience" in the short term.

Ministry	Service	Why?
		• The Ministry has requested assistance in collecting customer service data on all of these services indicating political will for change. • New Minister was recently appointed and is looking for a quick win to demonstrate his credentials.
Ministry of Higher Education	6. Issuance of Diplomas 7. Issuance of Transcripts	• Minister is regarded as reform-minded. • Both processes require many steps and many signatures presenting opportunities for corruption. • The MEC has already completed a VCA for the issuance of diplomas that can be leveraged for rapid assessment. • Affects an estimated 350,000 students per year.
Kabul Municipality	8. Small Business License Registration	• There are approximately 100,000 registered small businesses (shop owners) in Kabul, according to the United National Development and Planning Organization (UNDPO), who are often pressed for bribes in the licensing and registration process.
Supreme Court – Wasaeq	9. Property registration	• There are 30 steps involved in this service and it takes between three and five weeks giving rise to inefficiency and many opportunities for corruption. The VCA found 20 vulnerabilities in this process. • The MEC has already completed a VCA on this process that can be leveraged for rapid assessment. • Affects up to 500,000 to 1 million people every year.
Ministry of Education	10. Issuance of High School Diploma	• Affects an estimated 250,000 students per year. • According to informants it can cost up to $500 to obtain a diploma.

ENDNOTES

[1] UNODC reports that in 2009, 59% of adult Afghans paid at least one bribe that year. By 2012, that number had fallen to a still unacceptable 50%. The national economic impact of corruption, as measured by UNODC, also fell. UNODC and Islamic Republic of Afghanistan High Office of Oversight and Anti-Corruption, "Corruption in Afghanistan: Recent patterns and integrity challenges in the public sector," https://www.unodc.org/documents/data-and-analysis/statistics/corruption/Corruption_Afghanistan_2013.pdf.

[2] Transparency International, Defence and Security, "Government Defence Anti-Corruption Index: Afghanistan 2015 Country Summary," http://government.defenceindex.org/downloads/docs/afghanistan.pdf. ("At the same time, the current government has significantly stepped up oversight over procurement contracts and the development of anti-corruption training for select personnel").

[3] Yuen J. Huo and Tom R. Tyler, Trust in the Law: Encouraging Public Cooperation with the Police and Courts, (New York: Russell Sage Foundation, 2002).

[4] See Michael Kaplan, "Corruption Still Top Issue After Decades Of War As Taliban Spreads," International Business Times, February 18, 2016, http://www.ibtimes.com/afghanistan-news-corruption-still-top-issue-after-decades-war-taliban-spreads-2313342. ("There's a strong relation between governance and security, and it's much harder [for extremists] to influence a population that's getting what they need in a fair and just way.") See also *Follow-up to Questions from Canberra Meetings*, The Asia Foundation, March 9, 2016.

[5] Seth Kaplan, "Fragile States, Fractured Societies," *Fixing Fragile States: A New Paradigm for Development*, (London: Praeger Security International, 2008) ch. 3 (weak government institutions that unresponsive to their citizen constituencies contribute to state fragility); UK Department for International Development (DFID), *Building Peaceful States and Societies: A DFID Practice Paper*; (DFID 2010), pp. 16 (recognizing legitimacy as fundamental to state–society relations and peace, security and resilience over the long term).

[6] World Bank. *World Development Report 2004: Making Services Work for Poor People*, https://openknowledge.worldbank.org/handle/10986/5986.

[7] OECD, *Supporting Statebuilding in Situations of Conflict and Fragility: Policy Guidance*, DAC Guidelines and Reference Series, OECD Publishing, 2011, http://dx.doi.org/10.1787/9789264074989-en.

[8] See, e.g., USAID, "Sustainable Service Delivery in an Increasingly Urbanized World" (Washington, DC: USAID, 2013), https://www.usaid.gov/sites/default/files/documents/1870/USAIDSustainableUrbanServicesPolicy.pdf (recognizing Afghanistan as among the countries with future high service delivery capacity needs); H.P. Minis, *Strategies for improved delivery of basic services: A concise framework and selected cases*, (Research Triangle Park, NC: RTI, 2014); Tom R. Tyler, *Why People Obey the Law*, (Princeton, NJ: Princeton Univ. Press, 2006).

[9] Claire McLoughlin, "When Does Service Delivery Improve the Legitimacy of a Fragile or Conflict-Affected State?" *Governance*, March 25, 2014; Stuart Corbridge, Glyn Williams, Manoj Srivastava, and René Véron, *Seeing the State: Governance and Governmentality in Rural India*, (Cambridge: Cambridge University Press 2005).

[10] USAID, "Innovations in Local Public Service Management: Challenges and Opportunities in Decentralized Governance in Indonesia," 2009, http://pdf.usaid.gov/pdf_docs/Pnadp067.pdf.

[11] Islamic Republic of Afghanistan, General Independent Administration of Anti-Corruption, *Law on the Campaign Against Bribery and Administrative Corruption*, Official Gazette No. 838, November 10, 2004, http://www.asianlii.org/af/legis/laws/lotcabaacogn838p20041011113830720a846/.

[12] Ibid, Articles 5 and 6.

[13] UNDP, "Institutional Arrangements for Combating Corruption in Afghanistan: Analysis and Recommendations – Preliminary Report," 2008.

[14] USAID, "Assessment of Corruption in Afghanistan," January 15 – March 1, 2009, http://pdf.usaid.gov/pdf_docs/Pnado248.pdf.

[15] UNDP, "Institutional Arrangements"

[16] MEC, "Report of the Public Inquiry into the Kabul Bank Crisis", November 15, 2012, http://mec.af/files/knpir-final.pdf.

[17] MEC, "Fifth Six-Month Report," Jan 2014, pp. 26, http://www.mec.af/files/5thSixMonthReport.pdf.

[18] Recent figures indicate foreign aid is nearly equal to national gross domestic product. International Labour Organization (ILO), *Afghanistan: Time to move to Sustainable Jobs Study on the State of Employment in Afghanistan*, (ILO, 2012), pp. 6, http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_182253.pdf. The youth labor market grows annually by approximately 400,000 but youth tend to find only temporary or apprentice positions. Id., at 42.

[19] Shaharzad Akbar, "Afghanistan is on the Brink," Al Jeezera America, February 11, 2016, http://america.aljazeera.com/opinions/2016/2/afghanistan-is-on-the-brink.html.

[20] Jessica Donati, "Foreign Donors Threaten to Pull Funding to Afghanistan Anti-corruption Group," *The Wall Street Journal*, December 4, 2105.

[21] Tamim Ansary, *Games Without Rules: The Often Interrupted History of Afghanistan,* (New York: Public Affairs, 2012).

[22] The 2015 UNAMA annual report records 3545 civilian deaths and 7457 injured in 2015. Afghan police and military incurred about 4300 deaths and 8000 injured in the first six months of 2015, up more than 40% compared to 2014 according to U.S. Department of Defense statistics.

[23] Special Inspector General for Afghan Reconstruction (SIGAR), "Quarterly Report to the United States Congress," January 30 2016, https://www.sigar.mil/pdf/quarterlyreports/2016-01-30qr.pdf.

[24] Dan Lamothe, "Probably the largest' al-Qaeda training camp ever destroyed in Afghanistan", *Washington Post*, October 30, 2015. https://www.washingtonpost.com/news/checkpoint/wp/2015/10/30/probably-the-largest-al-qaeda-training-camp-ever-destroyed-in-afghanistan/.

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[27] Ibid.

[28] Ebrahimi, Ghulamreza, Hossain Ali Karimi. *Corruption Mapping in Afghanistan*. The Afghan Institute of Strategic Studies, 2015.

[29] Associated Press, "Afghan Forces Struggle as Ranks Thinned by 'Ghost' Soldiers," January 10, 2016.

[30] Ibrahimi, Niamatullah, Musab Omer, Mohommad Irfani. *Social Media and the Articulation of Radical Narratives in Afghanistan*. *Social Media and the Articulation of Radical Narratives in Afghanistan*. The Afghan Institute of Strategic Studies, 2015; Zaman, Robert, Abdul Ahad Mohammadi. *Trends in Radicalization Among the Ranks of the Afghan National Police*. The Afghan Institute of Strategic Studies, 2014.

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[32] Source 009 (Afghan Institute of Strategic Studies), January 2016.

[33] Ibid.

[34] Source 011 (Position 010 for Independent Human Rights Commission of Afghanistan), February 2016.

[35] Source 076 (Position 075).

[36] Source 071 (Position 070), January 2016.

[37] Source 096 (Position 097 for United Nations Assistance Mission to Afghanistan (UNAMA)), February 2016.

[38] Source 033 (Position 032, for HOO), January 24, 2016.

[39] Source 040 (Position 039 for MEC), January 2016; Source 043 (Position 041 for Integrity Watch Afghanistan), February 2016.

[40] Source 033.

[41] Source 040.

[42] Source 048 (Position 047), January 2016.

[43] Ibid.

[44] Source 086 (Position 085 for The Asia Foundation) January 2016.

[45] Source 009 (Afghan Institute of Strategic Studies) January 2016.

[46] Source 043.

[47] TAF, January 28, 2016; Source 096 (Position 097 for UNAMA) February 2016.

[48] TAF, January 28, 2016.

[49] Source 076 (Position 075), January 2016.

[50] Source 032 (Position 031), February 2016.

[51] MoEc; Source 047 (Position 046), January 2016.

[52] MRRD, January 2016.

[53] Source 096 (Position 097 for UNAMA), February 2016; One Senior Advisor indicated that "no progress has been made because of the President's inability to delegate authority". Source 076 (Position 075), January 2016.

[54] Source 071 (Position 070), January 2016.

[55] The new process reportedly has resulted in savings of 13 billion Afs (U.S$187,000)as determined by comparing current contract costs with the costs of those same contract awards in previous years. The National Procurement Agency, January 2016. More reform is necessary: procurement capacity in line ministries, for which the NPA has oversight, is weak and there is very little presence outside of Kabul. MEC, January 2016.

[56] Source 071.

[57] ACCI, January 2016

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[59] The Office of the President's Special Representative on Good Governance, February 2016. The number of special meetings and committees chaired by President Ghani, and numerous deputy and advisor positions with apparently conflicting mandates adds to this confusion; Source 096 (Position 097 for UNAMA), February 2016.

[60] The CSC, January 2016.

[61] The HOO, January 2016.

[62] Source 048 (Position 047), January 2016.

[63] Source 086 (Position 085 for The Asia Foundation), January 2016.

[64] Ibid.

[65] Source 048 (MoEc), January 2016. Low wages are a major contributing factor in various forms of corruption, including responsibility shirking, bribe taking, and ghost employees. The CSC, January 2016. The development of the National Technical Assistance Salary Scale has sought to address this issue by closing the gap between government salaries and the salaries of international organizations.

[66] Source 097 (Position 095), January 2016.

[67] Source 020 (Position 019); Source 021 (Position 020), February 2016.

[68] CSC Complaints Board.

[69] Source 020, Source 021.

[70] Source 048.

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[72] Taqnin Department (MOJ), February 2016.

[73] Katzman, Kenneth. *CRS Afghanistan: Politics, Elections, and Government Performance*. 2015.

[74] Taqnin Department (MOJ), February 2016; HOO, January 2016.

[75] NPA.

[76] Source 073 (Position 072), February 2016.

[77] Source 040.

[78] Source 029 (Position 028 for NPA), January 2016.

[79] NPA.

[80] The Position 096 (Source 098); and Source 066 (Position 065), February 2016.

[81] Ministry of the Interior, January 2016.

[82] MOCIT, January 2016.

[83] Source 046 (MOCIT), February 2016.

[84] Telecom Statistics, September 2015, http://mcit.gov.af

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[88] Hamdard, Javid, *The State of Telecommunications and Internet in Afghanistan Six Years Later (2006-2012),* Internews; Source 009 (AISS), January 2016.

[89] Source 099.

[90] MOCIT.

[91] MRRD, January 2016; Reza, Yemak, Fun Gan, Delice Cheng, *Celebrating ten years of the National Solidarity Program (NSP): A glimpse of the rural development story in Afghanistan*, World Bank*, 2013*; See also, "Donors." Accessed March 3, 2016. http://www.nspafghanistan.org/Default.aspx?sel=18.

[92] Source 051(Position 50), January 2016.

[93] The CSC, January 2016.

[94] MRRD, January 2016.

[95] MOF Budget Department, February 2016.

[96] Source 100 (MOF), February 2016.

[97] CSC.

[98] Ibid.

[99] Source 100 (MOF), February 2016.

[100] Source 020, Source 021.

[101] Source 032 (Position 031), February 2016.

[102] Source 037 (Position 036) January 2016.

[103] CSC.

[104] *See e.g.,* Tavakoli, Heidi, Ismaila B. Cessay, and Winston Percy Onipede Cole. "Substantial but Uneven Achievement: Selected Success When Stars Align. Public Financial Management Reforms in Sierra Leone." *International Peacekeeping 22,* no. 4 (2015).

[105] See Bussell, Jennifer, "Explaining Cross-National Variation in Government Adoption of New Technologies", *Int'l Studies Quarterly* 55, 267-280, 277 (2011).

[106] See Leonard, *Where Are 'Pockets' of Effective Agencies Likely in Weak Governance State and Why? A Propositional Inventory*, (IDS Working Paper, 2008).

[107] *See* Booth, David, "Towards a Theory of Local Governance and Public Goods Provision in Sub-Saharan Africa." APP Working Paper, 2010. (On enabling factors for local actors working to solve public service provision problems using the tools at hand, including legacy institutional elements).

[108] Williamson, Tim. *Change in Challenging Contexts: How Does It Happen?* ODI, 2015: 41.

[109] Minis, Arandel, Gerber, and Wetterberg. *Strategies for Improved Delivery of Basic Services: A Concise Framework and Selected Cases*. RTI, 2014.

[110] See, e.g., Jones, Cummings, and Nixon, *Services in the City: Governance and Political Economy of Urban Service Delivery.* ODI, 2014: 2-3; 32-33.

[111] Williamson, *Change in Challenging Contexts.*

[112] De Gramont, *Beyond Magic Bullets in Governance Reform*. Carnegie Endowment for International Peace, 2014: 6; see also, Ibid.

[113] See Asunka, *What People Want from Government: Basic Services Performance Ratings, 34 Countries.* Afrobarometer, 2013; see also, Fiszbein, *Citizens, Politicians and Providers: the Latin American Experience with Service Delivery Reform*. World Bank, 2005.

[114] See Guerrero, *Rebuilding Trust in Government via Service Delivery: The Case of Medellin, Colombia*. World Bank, 2011

[115] See Mcloughlin and Batley, *The Effects of Sector Characteristics on Accountability Relationships in Service Delivery*. ODI, 2012; Sacks, *Credit or Blame: Non-State Provision of Services and Political Support in Africa*. University of Washington, 2011.

[116] See Brinkerhoff, *U4 Brief: Unpacking Political Will to Confront Corruption*. CMI, 2010.; see also Thijs, *Measure to Improve: Improving Public Sector Performance by Using Citizen User Satisfaction Information*. EUPAN, 2011.

ANNEX A: LIST OF INTERVIEWS

NAME	POSITION	ORGANIZATION
Source 001	Position 001	Access to Information Commission
Source 002	Position 001	Access to Information Commission
Source 003	Position 002	AFCAC
Source 004	Position 003	Afghan Chamber of Commerce
Source 005	Position 004	Afghan Chamber of Commerce
Source 006	Position 005	Afghan Chamber of Commerce
Source 007	Position 006	Afghan Chamber of Commerce
Source 008	Position 007	Afghan Chamber of Commerce
Source 009	Position 008	Afghan Institute for Strategic Studies
Source 010	Position 009	Afghanistan Extractive Industries Transparency Initiative (AEITI)
Source 011	Position 010	Afghanistan Independent Human Rights Commission
Source 012	Position 011	Afghanistan Justice Organization (AJO)
Source 013	Position 012	Afghans Coordination Against Corruption
Source 014	Position 013	APPRO
Source 015	Position 014	APPRO
Source 016	Position 015	APPRO
Source 017	Position 016	Artlords
Source 018	Position 017	Budget Department, Ministry of Finance
Source 019	Position 018	Combined Security Transition Command - Afghanistan
Source 020	Position 019	CSC
Source 021	Position 020	CSC
Source 022	Position 021	DAI-ALBA
Source 023	Position 022	DAI-ALBA
Source 024	Position 023	Director and Editor in Chief
Source 025	Position 024	EPD
Source 026	Position 025	European Union Police Mission in Afghanistan
Source 027	Position 026	European Union Police Mission in Afghanistan
Source 028	Position 027	European Union Police Mission in Afghanistan
Source 029	Position 028	General Directorate of National Procurement
Source 030	Position 029	GIZ
Source 031	Position 030	GIZ
Source 032	Position 031	Harakat
Source 033	Position 032	High Office of Anticorruption
Source 034	Position 033	High Office of Anticorruption
Source 035	Position 034	IDLG
Source 036	Position 035	IDLG
Source 037	Position 036	Independent Administrative Reform and Civil Service Commission
Source 038	Position 037	Independent Administrative Reform and Civil Service Commission

Source 039	Position 038	Independent General Directorate of Kuchi
Source 040	Position 039	Independent Joint Anticorruption Monitoring and Evaluation Committee
Source 041	Position 040	Independent Joint Anticorruption Monitoring and Evaluation Committee
Source 042	Position 041	Independent Joint Anticorruption Monitoring and Evaluation Committee
Source 043	Position 042	Integrity Watch Afghanistan
Source 044	Position 043	IWA
Source 045	Position 044	Ministry of Borders and Tribal Affairs
Source 046	Position 045	Ministry of Communications and Information Technology
Source 047	Position 046	Ministry of Economy
Source 048	Position 047	Ministry of Education
Source 049	Position 048	Ministry of Education
Source 050	Position 049	Ministry of Finance
Source 051	Position 050	Ministry of Finance
Source 052	Position 051	Ministry of Finance
Source 053	Position 052	Ministry of Finance
Source 054	Position 053	Ministry of Finance, General Directorate of Internal Audit, Investigation, and Evaluation
Source 055	Position 054	Ministry of Finance, Making Budget and Aid Work Project
Source 056	Position 055	Ministry of Finance, Office of the Deputy Minister for Policy
Source 057	Position 056	Ministry of Information and Culture
Source 058	Position 057	Ministry of Public Health
Source 059	Position 058	Ministry of Public Health
Source 060	Position 059	Ministry of Refugees and Repatriation
Source 061	Position 060	Ministry of Rural Rehabilitation and Development
Source 062	Position 061	Ministry of Rural Rehabilitation and Development
Source 063	Position 062	Ministry of Rural Rehabilitation and Development
Source 064	Position 063	Ministry of the Interior
Source 065	Position 064	Ministry of Women's Affairs
Source 066	Position 065	MOLSAMD
Source 067	Position 066	National Centre for Policy Research
Source 068	Position 067	National Mliks Association
Source 069	Position 068	National Procurement Authority
Source 070	Position 069	Office of Deputy Minister for Policy, Ministry of Finance
Source 071	Position 070	Office of the CEO
Source 072	Position 071	Office of the DSRSG
Source 073	Position 072	Office of the President
Source 074	Position 073	Office of the President
Source 075	Position 074	Office of the President
Source 076	Position 075	Office of the President
Source 077	Position 076	Office of the President
Source 078	Position 077	Office of the President's Special Representative for Good Governance and Reforms
Source 079	Position 078	Office of the President's Special Representative for Good Gov-

		ernance and Reforms
Source 080	Position 079	Office of the President's Special Representative for Good Governance and Reforms
Source 081	Position 080	Office of the Second Vice President
Source 082	Position 081	Organization of Afghan Alumni
Source 083	Position 082	People's Movement Against Corruption
Source 084	Position 083	Saba Media Organization
Source 085	Position 084	Taqnin, MOJ
Source 086	Position 085	The Asia Foundation
Source 087	Position 086	The Killid Group
Source 088	Position 087	The Killid Group
Source 089	Position 088	The Killid Group
Source 090	Position 089	The Welfare Association for the Development of Afghanistan
Source 091	Position 090	UNESCO
Source 092	Position 091	US Embassy
Source 093	Position 092	
Source 094	Position 093	
Source 095	Position 094	Vice President's Office

ANNEX B: USAID'S POLITICAL ECONOMY ANALYSIS FRAMEWORK

Annex: USAID Applied PEA Framework for Country, Sector and Issue/Problem-level Data Collection and Analysis

PEA Focus	**Country-level**		
		Key factors to consider	***Types of questions to ask, topics to explore and data to collect***
Purpose identified	The purpose of the PEA and its scope will shape its methodology, questions, the report, the findings and their uses.	• For which purposes will the PEA findings be used (e.g., CDCS)? • Are there issues in USAID's existing country program that the PEA is meant to explore? • Are there any particularly poor or good processes or outcomes that the PEA aims to explain? • Are there national structures/ changes that the PEA is meant to analyze?	• Gather and read existing PEA reports, reviews, audits etc. to learn others' explanations for good/poor outcomes, processes, key actors, etc. • Are their limitations on USAID's program (e.g., resources, timing, outside agendas, etc.) that will determine how the PEA findings will be used and on how many resources should be spent on the study? • Do those designing the program agree on the value of PEA, local solutions, and other aspects of the operational theory of change? • Are there well-qualified staff/contractors to do the PEA study, and arrangements for ensuring Mission ownership of the findings?
Foundational Factors	Deeply embedded national and sub-national structures that shape the character and legitimacy of the state, the political system and economic choices. Many are slow to change.	• Territorial control • Geostrategic position • Geography • Historical influences • Social and economic structures • Sources of revenue • Natural resource endowments • Economic structures and potential for surplus generation • Political settlement • Economic integration nationally and globally • Structural constraints to growth • Cultural and social imperatives	• Does government administer all of its population and territory, and does it have a monopoly of violence? Can it collect taxes everywhere? • Is the country in a 'safe neighborhood', is it landlocked, is it dependent on outsiders (including aid), and is it vulnerable to attack or external pressures? • Are there natural features that affect national control, equity and unity? Is the country subject to climate stresses, population pressures or other natural restraints? • Past events that influence state formation and legitimacy, power relations and equity, civil society's capacity, and economic structures. • Classes, groups, organizations and economic structures and interests that impact policy; the operation of ethnic/caste/ religious groupings and patronage and traditional networks.

			• The importance of aid and natural resource earnings compared to taxation; transparency and (ab)uses of any formal or 'unearned' revenues. • Major resources (e.g., oil, minerals, land, water) available and the level of their exploitation; benefits/damages they bring to which groups, national unity and progress, etc. • Significant economic organizations and processes that contribute to (pre)class and group formations, political/social power, and exploitable revenues. • The nature and stability of the political contract between the state and the elite, and the benefits derived by the elite and the nation. • The nature of the social contract between the state/elite and the citizenry; which groups its benefits and why? • Which economic sectors are vertically/horizontally integrated domestically? How is the national economy integrated into international economy? • What factors drive the main constraints to economic growth, equity, integration and stability? • What socio-cultural features are important determinants of behavior and change, and what maintains/undermines their influence?
Rules of the Game	Formal and informal institutions (rules and norms) that influence actors' behavior, their incentives, relationships and their capacity for collective action.	• Key rules-based (formal) or personalized (informal) institutions • Distribution of power between key actors/groups • Rules governing the competition for political power and relations	• What legal 'parchment' (constitutional, legislative, regulatory) frameworks exist; are they stable and routinized, known and understood; are they implemented fully, equitably, transparently, and predictably; is their implementation and operation resourced (with funding and skilled staff)? • Does the formal framework as implemented reflect international agreements the government has signed (e.g., UN conventions)?

		between political actors • Formal and Informal institutions shaping economic activity, tax, wealth and rents • Social networks and their influence; ideological and cultural forces.	• Which 'informal' norms and (cultural/social) traditions have influence? Are they changing and why/not? How do they affect power distribution, social justice and equity, economic processes, service delivery, governance, etc.? • Are the political executive and powerful actors (e.g., the wealthy, military, MPs, economic or social elite, party officials, senior bureaucrats, traditional and religious leaders et al) constrained by the formal law and/or by informal norms? How? • Are political competition (including elections) and the distribution of power managed lawfully? What norms and rules govern how power is distributed and used? • Are civil society activism, the media, free expression and access to information protected by laws that are fairly implemented? • To whom are powerful actors accountable, how and why? • Do legal reforms promote the interests of certain groups or persons? Can entrepreneurs and workers depend on a fair and predictable rule-of-law? • Are key economic processes (property rights, tax collection, production, lending etc.) managed legally? • Are human rights abuses and corruption punished? Are 'uncivil' elements (terrorists and criminals) punished? • Are international relations (including debt, aid, investment, trade, ownership of property, immigration etc.) subject to the rule-of-law?
Here and now	Current or recent behavior of individuals and groups and their response to events ("games within the rules") that provide opportunities for, or impediments to change.	• Key actors/groups; any emerging and disappearing and their effect on decision-making and behaviors. • Current events, e.g., leadership, political or economic changes – and their impact on structures and institutions. • Nature of the political	• Key leaders and elite coalitions/groups that make decisions and act on them; the roots and nature of their authority; and any recent changes that affect their power, legitimacy, and status, decisions and actions. • Significant, recent events; how they affect rules and norms, decision making, the distribution of power, stability, dominant ideologies and beliefs, group and class relations, development processes and progress, and foreign (aid) relations.

		settlement (among the elite) and of the social contract (between the elite and citizens). • Global or regional forces that affect the private sector and public decision-making. • Domestic and international pressures that impact social, political and economic structures and processes.	• Which issues, interests or individuals are key groups organizing around? The structure of the groups (e.g., clientelist networks, political parties, CBOs, ethnic assemblies, etc.). • The relationships between government, the elite and society generally; how rents and patronage are created and allocated; how citizens' loyalty is obtained/retained by leaders; the impact these have on social and political stability, national economic processes and growth, and on service delivery across the sectors. • Major regional and global events and actors that impact national social, political and economic processes and outcomes. • New pressures (e.g., climate change, HIV/AIDS, refugees) and how they influence existing actors, structures and institutions.
Dynamics	What features are in flux and may drive an opening or closing of space for change? What foreign or domestic drivers of change are acting on society already? What levels of complexity and uncertainty are there in any potential changes that are identified?	• How the interaction of foundational factors, rules of the game and the here and now influence the scope for solving collective action problems • What may change the distribution of economic, political and social power? • What entry points or opportunities are likely to arise or close?	• What factors noted above support or undermine coordinated action between multiple stakeholders towards a common goal, and are changes underway that would improve collective action favoring specific or general reform? • Which of the factors identified above are in flux and why? How likely will that impact the key determinants (e.g., leaders, resources, interests, institutions etc.) of national development and reform? • Which governance challenges inhibit reform, how and why? • Are key actors (groups, individuals and classes) emerging or disappearing, and are their relationships changing? How and why? Are changes linked to the economy, politics or other factors? What is the likely outcome of these changes? • Is the space for reform opening or closing? Why? How to assess and what determines the right time and best way to take advantage of opportunities? • Are reform champions, 'development entrepreneurs' or elite coalitions for reform identified? What are their interests and motivations? What constrains their action? • Has aid been transformative, which aid modalities work best locally and why?

Annex: USAID Applied PEA Framework for Country, Sector and Issue/Problem-level Data Collection and Analysis

PEA Focus	**Sector-level**		
		Key factors to consider	***Examples of questions, topics to explore and data to collect***
Purpose identified	How will the PEA findings be used and by whom? What is the recent performance in the sector (indicators) that has led to this study?	• What sector or sub-sector is the PEA meant to cover? • Are particular problems or issues to be addressed or excluded? • How well has the sector performed in delivering public goods, and in contributing to growth and poverty reduction? • What are the main achievements and failings in the sector? • By whom and how will the PEA be used?	• Collect and read donor/NGO/government/academic reports, PEAs, and audits/reviews about the sector. Interview sector specialists about stakeholders, performance, and outputs. • Profile and current status of the (sub)sector under study – e.g., structure and organization; funds and aid flows; scale in relation to GDP and national budget; key state actors, staff and their capacities; other actors and their inputs (e.g., NGOs, CBOs, religious groups, businesses); outputs and performance; legal and policy frameworks; key institutions and processes, internal/external pressures and influences (e.g., partisan politics, population growth); space and opportunities for reform. • The sector's contribution to poverty reduction and economic growth. • Do service delivery and performance differ by area/region, why? • Any significant, recent changes in sector performance, and why? • How is performance measured? Are data on inputs/outputs/ processes/performance and staffing accurate? • What constraints and problems undermine good performance? What are their (social/cultural, political, and economic) roots and characteristics? How and why do they persist? • Who are major donors in the sector, their modalities and inputs? • How will the PEA study be used, by whom, and is there a mechanism in place to ensure Mission 'ownership' of the findings? Funding availability, Mission capabilities, USAID's influence, and the capacity of local reform leaders should be assessed when designing programs from the PEA findings.

Foundational Factors	Historically rooted structures that shape the sector, its integration into the state, its outputs, and revenues.	• Key foundational factors that affect the sector. • How do these shape the power and incentives of key actors, sector management, rents, etc.? • Who have been the main actors and organizations in the sector, and how have they shaped the sector and its outputs? • What resources does the sector depend on, and are they available and well used?	• What impact on the sector have geography, historical legacies, social and economic structures, national integration, state formation, government legitimacy, revenue sources, territorial control, trade links, ownership structures, institutions, legal and regulatory frameworks and other national structural features? • How does each of these affect sector services, processes, outputs, funding levels, and performance? • What is the organizational structure of the sector and the role of different layers of government in operations and service delivery? • Are individuals and specific interest groups identified with the sector? How and why? What motivates them, why are they influential, and what forms do their actions take? What effect does each have on sector policy, processes and performance? • Are entrepreneurs and businesses, NGOs, CBOs, religious organizations, gender or ethnic groups, and other non-state actors particularly active in the (sub)sector? How and why? Try to gain access to their documents, reports, audits, and studies. • What are the sources of revenue for the sector (e.g., taxes, aid, donations, self-help, fees, etc.)? What percentage of the budget does the sector absorb, and what contribution to GDP does it provide? Are the figures to be trusted? Is funding sufficient and why? • How do the sources of revenue affect the public's demand for (better) services? (e.g., paying fees might inspire demands for accountability). • Can the sector (or specific sub-sectors) absorb more funding? • What (staff) capacity constraints exist and why? Are sector (financial, management, human resource, etc.) systems operating well and why? • Are there reports of corruption, nepotism, clientelism, criminality, rights abuses, or partisan politics affecting the sector? Are these being addressed, by whom and how? What other problems in the sector have been identified, and what are their cause(s)?
Rules of the Game	Formal and informal institutions that shape behaviors, distribution of power, rents, policy-making, and management of the sector.	• What are the formal rules, public policies, laws and regulations governing the sector, and to what extent are they implemented in practice? • What informal norms and beliefs	• What formal, legal and regulatory frameworks underpin sector operations? Are laws and rules well implemented? Do they reflect international norms and agreements? • What policies mold sector structures, operations, administration and funding? Is policy implementation predictable and transparent, and do the policies reinforce rules-based behavior?

		effect the sector? • How do formal and informal institutions effect the interests, incentives, capacity and level of influence of key actors in the sector? • What economic institutions (ownership, management, property rights etc.) affect the sector and its outputs?	• Are policies translated into strategic plans that are funded, and into systems being operated by adequate numbers of skilled personnel? Why? • What informal (unwritten, traditional or cultural) norms govern behaviors in this sector? Why and how do these retain influence? Who enforces informal norms (e.g., chiefs, religious leaders), how? • What beliefs and ideologies guide actions? How do they impact sector activities and outputs? Are these ideas changing? How and why? • What interests, motivations, and incentives spur key actors and groups to behave as they do? Are these region-specific and do they change over time? How/why? • What rules govern economic assets and processes (e.g., property ownership, hiring, and delivery of services)? Is competition allowed by the rules, and are there monopolies that impact the level and quality of service delivery? • Are there private businesses and entrepreneurs active in the sector/doing what? What legal and normative frameworks regulate their activities, transactions, and outputs? Are these rules applied equitably? • What political institutions govern decision making about sector policies and operations? Are these rules and norms publicly known, transparent, routinized and predictable? • Which key actors make decisions in this sector/why/how? (president, minister, MP, central or district bureaucrats, chiefs, et al?) • Are key actors held to account or not? How/why? • What rents are generated in the sector? Who controls and benefits from them? How are they used? • Is criminality or rights abuse an issue in the sector? Who benefits and how? Is it punished/why? • Does political competition (elections, partisan politics etc.) affect operations or outcomes in the sector?
Here and Now	Current and recent events, actors and behaviors that affect the sector and its outcomes.	• How are current events, personalities, political and economic developments affecting the sector context and	• Which significant events, actors and trends are currently affecting (sub) sector operations and the delivery of public goods? How/why? • Are political contests affecting the sector, how and why? • Is governance of the sector changing? Are structures and management

		key actors? • Are new actors, networks and issues emerging as other disappear? What influence have they on sector performance, including rents, service provision, management etc.? • How does the distribution of power between key actors explain the pattern of winners and losers in the sector?	processes stable or being reformed (how/why and the impact)? • Are there reform processes underway (or hindered), what are their goals, who is driving/blocking reform and why, and will reform affect sector operations and outcomes? • As change happens in the sector, are there distinct winners or losers? Who, how and why? • Are there new actors (businesses, politicians, ministers, bureaucrats, NGOs et al) affecting the sector's operations and outputs, how and why? What interests and motives drive their actions? Are old actors and interests being displaced/why? • Are the sector's funding levels and human-resource capacity changing? What causes that and what is the impact? • Are there natural or man-made crises affecting the sector? • What specific issues are central to sector operations currently? • Are market conditions affecting sector performance? • Are global or regional events having an impact on the sector?
Dynamics	Which political, social and economic processes are changing and how are they impacting the sector? Where is change likely to emerge in the sector? What processes within or outside the sector have the potential to generate significant change?	• Are benefits (public goods) being shared equitably and is this changing? • Where do economic rents arise in the sector, how are these captured and shared, and is this changing? • Who are the winners and losers of changing sector policies? • Which actors can influence policy outcomes in their favor, and which actors are marginalized? • How do the winners of public policy achieve and defend their political influence? • What are the key relationships sustaining their position? • What feasible options for policy	• What benefits are being generated by the sector (services, rents, influence, votes, etc.) and are these changing in character or quantity? • How are benefits distributed and to whom? Are benefits subject to capture by special interests? Is this changing? • How are rents created and distributed? Does that affect services? • Is the diversion of resources or public goods common, and who benefits? Are there changes in the nature and amount of corruption, nepotism, criminality, and politicization in sector operations or services? Are there improvements, how and why? • How are policy processes (i.e., making new policy and implementing it) changing, and why? • Which sector actors (ministers, NGOs, MPs et al) are most/least influential in the policy sphere, and why? How do they maintain their influence? What and whose interests do their policy inputs serve? Is this situation changing, and how? • How do the key sector actors and their interests align (or not) with national political, economic, or social forces? Is there a direct link between national-level and sector-level actors, interests and activities?

Annex: USAID Applied PEA Framework for Country, Sector and Issue/Problem-level Data Collection and Analysis

PEA Focus	**Problem/Issue-level**		
		Key factors to consider	***Examples of questions, topics to explore and data to collect***
Purpose identified	The purpose of the issue or problem should be defined, and if there is more than one problem, they should be clearly distinguished and their indicators defined.	• What poor process or outcome is this PE study mean to explain? • What data demonstrate poor performance and its cause(s)? • Is this PEA meant to explore previous aid interventions and their effectiveness? • Is there more than one issue or problem under study, and are they clearly differentiated and defined?	• Define the problem or issue exactly, and collect and read reports, reviews, audits and other documents that provide details. • Explain any previous or current attempts to address the issue or fix the problem, including domestic reforms and foreign aid programs. • What assumptions underpinned the previous reform-method(s)? Why were the assumptions valid or not? What processes and resources were used to promote reform? Were any successes registered? Why? • Explain any reluctance or intransigence to address the problem, and its roots. • How does the issue/problem and its causes and consequences relate to events and trends at national and sector levels?
Foundational Factors	How are deep-seated foundational factors affecting the issue or problem under study?	• What broad factors (often at national or sector level) affect the problem? • How can the causes of the problem be addressed - through narrow issue-focused, sector-level and/or nationwide interventions? • Which interests and actors are central to the issue/problem? • Is the state well-established and considered legitimate? Is civil society empowered? How do the state and citizenry and their relationship/interactions affect the problem?	• Which national or sector-level 'foundational factors' affect this issue/problem, and how? Can they be addressed/how? e.g., geography, geostrategic position and neighborhood, natural and human resources, historical legacies, state formation, regional or sectarian divisions, etc. • Which key socio-economic structures and constraints to economic growth impact this problem? How does the capacity to generate economic surpluses and 'unearned' revenues affect the issue? • Is the state unified and does it have authority over its population and territory? How does state formation impact this issue? • Who are the main actors of concern, and what motivates them? What is their relationship? What actions do they take regarding the issue? What interest(s) do they have? Who benefits from reform or lack of reform, and how? • Which socio-political features affect the issue and how – e.g., loyalties, clientelist networks, ethnic or sectarian cohorts, party affiliations, regional identities, gender ties? • Who benefits from rents or diversions of resources, how and why? • Who and which interests oppose change(s), and why? How empowered are they, and how do they wield their influence?

Annex: USAID Applied PEA Framework for Country, Sector and Issue/Problem-level Data Collection and Analysis

			• Is there evidence of collective action (collaborative and coordinated behavior by multiple stakeholders aimed at achieving a goal) around this issue? Why/not?
Here and Now	Who are the key actors and networks, how are they related, and how do they impact the problem? What is the nature of political competition and does it affect the problem?	• Who are the main stakeholders currently and what are their various interests in this issue? • What influence do they have and what characterizes their actions? • Who benefits from the status quo and how? • Which actors are likely to be supportive or opposed to reform? • Does the issue have a high profile in national or local politics, and why? Is it affected by political competition? • How does the government view and react to the issue?	• Which recent events and key trends are having an impact on the problem? How/why? • Which actors are central to the issue or problem at the moment? Which interests do they represent? How do they derive their authority? How did they obtain/retain power? • How do the key actors use their influence? What influence have they (to do what)? Are they accountable to anyone/group? • Which national- or sector-level actors take an interest in the issue? How are those interests manifest? What influence have the actors, how do they behave, and what is their goal? • Do politicians influence the issue, how and why? What is their interest? How do they or their followers benefit? • Are major economic actors taking an interest? Who, why? And what is their involvement and their goals? • Are civic actors involved (e.g., religious leaders, chiefs, NGOs et al), how and why? • Has the problem become a partisan-political issue? Is it a campaign issue? How does that affect its resolution? • What is government's involvement with the issue? Is it promoting reform or not, how and why? • Are donors or other foreigners involved? How/why? What influence have they to drive change?
Dynamics	Which actors, networks, or socio-economic and political organizations and processes provide an avenue for change? What other elements of dynamism, actual or	• From which source might change logically emerge? • How is the nature, composition and strength of interest groups changing over time? • How can the influence of groups be expected to change in future and respond to particular events (e.g. upcoming elections, possible policy initiatives)?	• Which events are likely to create conditions within the existing context that are conducive of change? What will oppose this? • What are the likely pathways to change (e.g., economic growth, new leadership, institutionalization of the law, collective action, etc.)? • Are there actors, reform coalitions or 'development entrepreneurs' interested in the issue? Are they empowered to act? Why/how? • Which interests oppose reform, and what benefits do those individuals/groups receive from the status quo? How empowered are they to resist change?

	potential, are present in the context that impact the issue/problem being studied?	• Are there any recent or current events that impact on the country's political economy generally or more specifically on the position or interests of particular stakeholders?	• Is the relationship between, and the influence of these pro- and anti-reform groups changing, how/why? • Are there likely future opportunities for reform? Why? Timing, actors, and openings? • Can foreigners (including USAID) contribute to changes with regard to this problem? How? What limits foreigners' influence? • Are there reasons why foreigners are reluctant to invest in reform processes? Are there sufficient USAID resources, and what risks does the agency face by funding reform actors or processes? • Are there events in neighboring countries, in the region or globally that will hinder or enhance the chances of reform? • What entry points for change are likely to open up (e.g., additional funding, civil society activism, more responsive government, legal reform, policy changes, better-trained civil servants, etc.)? How/why? • What is the potential of collective action among stakeholders? • Is there a credible commitment for reform by the authorities? • Where do uncertainty about fixing the problem and complexity surrounding the issue come from, and how can they be addressed to reduce risk?

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