3 Executive summary

Early efforts to rebuild and extend Afghanistan's devastated infrastructure have been relatively highly studied and well documented. Many assessments have criticised efforts as ineffective and a poor use of development funding. Afghanistan following 2001 was an extremely challenging environment, with security a major risk. A multiplicity of actors – civilian and military – sought to bring about change, adopting a combination of military tactics and 'hearts and minds' approaches. This mix of actors, with different agendas, objectives, and modus operandi added hugely to the confusion in the years following 2001.

Infrastructure development was an important part of the offer. Many hoped and expected that this combination would bring peace and security. However, almost two decades later, Afghanistan remains a fragile, conflict-affected state. Armed anti-government groups control large areas of the country and levels of insecurity are increasing.

This report focuses on the roads and power sectors. Despite years of investment in infrastructure with limited positive impact, the case study team has identified some indications that longer-term development approaches are having positive results. This is particularly evident in the improved access to, and quality of, electricity supply. Roads continue to be more problematic, although the extent of the usable roads network is now far greater than in 2001.

Other positives include a more coherent and co-ordinated approach between donors and other funding agencies. For example, despite their challenges, Multi-Donor Trust Funds (MDTFs) are an important co-funding instrument. They have helped strengthen donor co-ordination and alignment with government priorities, and pooled resources have provided levels of capitalisation for larger and more strategic infrastructure investments.

As well as the positives, the study team also found evidence that many of the earlier challenges remain:

- The continuing pressure for fast spending projects, and institutional incentives to encourage this, increases the risk of decisions that are prejudicial to the successful delivery of programmes

- Optimism bias continues to be a major risk to rational project identification and delivery.

- Most assignments for staff in donor agencies are short term, because of the challenges of the living and working environment. This leads to limited contextual knowledge and understanding. It also contributes to a low level of institutional memory, since staff completing assignments are reassigned and their experience and knowledge of Afghanistan is lost.

The importance of getting the basics right is a clear emerging thread running through this research. An important starting point is a sound understanding of the infrastructure project cycle. This covers the sequence of activities from project identification, preparation (feasibility and design), procurement, construction, handover and delivery of services (with related operations and maintenance in place).

There has been evidence from past evaluations of infrastructure development in Afghanistan, reinforced by findings in this case study, of internal and external pressures to expedite various stages of the process – whether feasibility, design, bid processes or construction. Although this may lead to some apparent early progress, it risks significant problems later in the process if basic good practice at any stage has been short-circuited. One interviewee, who is involved in major project development in Afghanistan, emphasised the importance of investing in the early stages of project preparation having seen the results of this being done without sufficient resources or attention. This echoes concerns raised in a UK National Audit Office (NAO) investigation into project delivery in the UK: 'Organisations which really understood the inherent challenges and complexity of the project, at the earliest stages of design, created an environment for

success. Those who did not, set themselves up for failure at a later stage.'[1] This is even more important for infrastructure development in a situation of fragility and conflict. The literature review that forms part of this research highlights the fundamental importance of understanding the context prior to undertaking any infrastructure development in a situation of fragility and conflict. A trend in US development aid to Afghanistan[2] which has been a common theme across most aid projects in the country is that projects frequently pay little attention to understanding the context – in particular the history and culture of Afghanistan. This links with the point above about the short length of assignments and lack of institutional memory. This is compounded with, in many cases, the lack of any substantive handover process between the outgoing and incoming post-holders.[3]

There are a number of practical recommendations emerging from the case study. These include:

1. Fully assess a range of options to achieve an objective. A particular example is the shift from building power stations, to building transmission lines to import surplus power from neighbouring Central Asian countries.

2. Invest in good project preparation, resisting the pressure to start construction early and spend money quickly. One interviewee gave an example from the roads sector, where the original design was for bridges across streams, but a subsequent review showed that culverts were sufficient. This was changed, with substantial cost savings resulting.

3. Ensure appropriate specifications. There are examples of some being inappropriately onerous for the context, leading to significant delays. Conversely, these can be too lax, resulting for example in early break up of road surfaces.

4. Seek, above all, to understand the context and operating environment, and assess the likely perspectives of different stakeholders. For example, understanding perceptions of winners and losers from a tarmac road into a remote area: will this be of greater benefit to insurgents,[4] drug networks or government security forces?

5. Ensure from the start that there are plans in place for operations and maintenance of the asset.

Finally, ODI's 2016 guidance paper on political settlements[5] provides relevant advice: "work in an adaptive entrepreneurial way – seeking to learn quickly from mistakes." The larger and more complex the infrastructure asset, the more difficult to adapt to changes in context. If security conditions, and other problems, mean that it becomes impossible to finish the project, it will become a stranded partially completed asset. This does not imply the avoidance of all large infrastructure projects. It does, however, mean that at the feasibility stage there should be a full unbiased consideration of whether there is sufficient peace and security, and prospects for this to continue, before any decision to proceed.

It is of course possible to mitigate some of the risks during construction with a cordon of security (at significant cost). However, the level needed, and the associated costs, should also be an indicator of whether the security environment is sufficiently stable for a recommendation to proceed. If the infrastructure is a major target during the construction phase, it is also likely to continue to be vulnerable to sabotage, or capture, post completion - by which time levels of security may well have been reduced or withdrawn, making it an easy target.

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[1] NAO (2013) DECA, Understanding Challenges in Delivering Project Objectives
[2] The point is made regularly in SIGAR reviews of spending, particularly about military-driven aid. A colourful article on ProPublica (Fingers in Ears – Ignoring History, Advice and Culture; https://projects.propublica.org/graphics/afghan#afghan-FE) may be somewhat one-sided, but identifies this common trend in a full reading of SIGAR documents.
[3] From interviews for this case study
[4] The term 'insurgent' is still the most common term for anti-government militant groups in Afghanistan. It has fallen out of use in some subsequent conflicts (e.g. 'rebels' in Yemen and Syria).
[5] Kelsall, T. / ODI, 2016. Briefing paper: Thinking and working with political settlements