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Aid Fragmentation, Commitments and Progress: A textbook provision case study from Afghanistan

Zia Andar

University of Massachusetts Amherst

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Aid Fragmentation, Commitments and Progress:

A textbook provision case study from Afghanistan

Zia Andar

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University of Massachusetts Amherst

Abstract

This study reviews aid fragmentation and implementation effectiveness using a textbook production and distribution project in Afghanistan as a case study. The aid effectiveness debate has been part of the development discussion for both academics and practitioners since the beginning of modern aid. An overall consensus exists that development aid programs are not as effective as they should be. The debate over aid effectiveness has intensified in the last two decades and a series of international forums on aid effectiveness convened in this period, the most prominent of which are the High Level Forums on Aid Effectiveness, hosted by the OECD.

In these aid effectiveness forums, International development stakeholders committed to aid effectiveness, proposed principles for good implementation practices. One of the main reason for aid ineffectiveness identified is aid fragmentation which may lead to increased transaction cost, duplication and corruption. The aid effectiveness forums proposed a division of labor among donors for effective harmonization and complementarity among development partners.

To see the result of the internationally committed principles in the country-level practices of the donors and their implementing partners, I used a textbook provision project in Afghanistan as a case study to examine aid fragmentation and its effects on aid effectiveness. For this purpose, using a qualitative approach, I interviewed officials from different organizations, including donor agencies and the Afghan government to better understand the effect of aid fragmentation on textbook provision. Based on the interviews, I also provide some other examples of aid fragmentation and ineffectiveness. This case study demonstrates how aid fragmentation and lack of an overall donor coordination architecture prevent aid effectiveness.

Acronyms

ARTF	Afghanistan Reconstruction Trust Fund
CBE	Community Based Education
CDF	Colonial Development Fund
CD&W	Colonial Development and Welfare
DAC	Development Assistance Committee
DANIDA	Danish International Development Agency
DED	District Education Department
EMIS	Educational Management Information System
HLF	High Level Forum
MoD	Ministry of Defense
MoE	Ministry of Education
MoF	Ministry of Finance
NATO	North Atlantic Treaty Organization
NGO	Non-Governmental Organization
NOL	No Objection Letter
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OEEC	Organization for European Economic Cooperation
PED	Provincial Education Department
PIU	Project Implementation Unit
SDG	Sustainable Development Goals
UN	United Nations
USAID	United States Agency for International Development

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Introduction

Significant progress has been made towards achieving global development goals. Extreme poverty has been reduced, people live healthier and more educated lives than during previous decades (Solheim, 2016). The Sustainable Development Goals (SDGs) have substantially improved conditions for people, but the pace of progress is not sufficient and imbalanced for complete realization of the SDGs (United Nations, 2017).

Development achievements in many middle and low-income countries can be attributed to Official Development Assistance (ODA). ODA is a vital financing source for the development activities in many low-income countries, because their domestic revenues are insufficient for development activities (Buscaglia & Garg, 2016). Importance of aid in development makes the quality of aid is similarly important as the quantity of aid (OECD, 2009b).

The aid effectiveness discussion has been part of the development aid debates since its beginnings in the 1960s, and there have been several international agreements and high-level conferences on aid effectiveness (Kasten, 2016). The number of donors and their activities have been growing in recent decades and aid fragmentation has become an increasing problem, which has various negative consequences and undermines the effectiveness of aid (Negre & Klingebiel, 2016). To tackle the adverse effects of aid proliferation, a series of the High-Level Forums (HLF) on Aid Effectiveness hosted by Organization for Economic Cooperation and Development (OECD) and other development partners. At the HLFs, high-level representatives from donor countries, recipient countries, multilateral aid organizations and civil society organizations discussed and committed to principles and practices for aid effectiveness. The donors acknowledge that the progress toward effective aid has not been sufficient and have continually reaffirmed their commitment to improve aid practices and implement the

commitments and principles of the HLFs (OECD, 2008; OECD, 2011).

The main cause of aid ineffectiveness and inefficiency is the fragmentation and duplication in aid activities (OECD, 2005; Rahman and Knack, 2004; Negre and Klingebiel, 2016). To eliminate fragmentation, the Paris Declaration proposed division of labor between donors (OECD, 2005) and subsequently, the aid effectiveness working group of OECD has proposed specific principles for division of labor to guide aid actors on eliminating the fragmentation in aid (OECD, 2009a).

The purpose of this study is to understand to what extent the donors have implemented the international commitments on aid effectiveness and specifically on division of labor. Through a qualitative case study qualitative research, donor practices in a text book project in Afghanistan will be evaluated based on their international commitments.

This research was conducted in Afghanistan, a country that is still in conflict, but development aid has facilitated development across various sectors. Student enrolment increased from less than one million in 2001 to 9.2 million in 2015, the number of schools increased from 3400 to 16400 and more than 8000 schools has been constructed during this period (MoE, 2016). Life expectancy increased from 42 years in 2002 to 64 years in 2012, child mortality decreased, more Afghans have access to a reliable electricity grid, independent media strengthened, and government capacity has been improved (USAID, 2014). These development results in Afghanistan have been supported by more than USD \$130 billion of aid resources (BBC, 2016, October 05). Since 2002, Afghanistan has become one of the highest aid recipient countries and is highly dependent on aid.

For an in-depth analysis of the aid effectiveness commitments, a case study of textbook provision in Afghanistan was conducted to provide an illustration of aid practices in

developmental contexts. In this project, three major donors, Danish International Development Agency (DANIDA), the World Bank and United States Agency for International Development (USAID) partnered with the Afghan Ministry of Education (MoE) to provide quality textbooks to students across Afghanistan.

The next chapter reviews the literature on aid effectiveness, specifically the proceedings of the High Level Forums on Aid Effectiveness hosted by OECD, which outlines principles for aid effectiveness and elimination of aid fragmentation. Chapter two illustrates how this qualitative research is conducted. It explains the research questions, research design, analysis and limitations.

Chapter three describes the country context and textbook provision cycle. In this chapter historical background, the current situation, development aid settings and the education sector of Afghanistan are explained. For a better understanding of the case study, an overview of the textbook provision cycle is also provided. Chapter four discuss and analyze data using a framework of recommended aid effectiveness principles and good practices, as specified by the HLFs. Finally, Chapter five concludes this research and provides recommendations for improvement of aid effectiveness.

1. Literature Review

1.1. Foreign Aid

Foreign aid is a general term, sometimes substituted with development assistance, development cooperation, and development partnership, which covers a variety of developmental and humanitarian interventions (Stokke, 2013). Foreign aid is generally provided by developed countries from the north and emerging economies from the south to the developing countries for international development and eradicating poverty and inequalities (OECD, 2011).

Donors have distinguished the foreign aid in forms of financial aid, provided in the form of subsidized credits and loans; commodity assistance, provided in the form of food and capital goods; and technical cooperation also known as technical assistance, provided in the form of advice, training, problem-solving or funding of experts, volunteers, advisers and other kinds of personnel (Degnbol-Martinussen & Engberg-Pedersen, 2003, p. 40). Foreign aid has been provided directly, which is called bilateral aid or through a pooling mechanism (often through multilateral aid initiatives); and there are some aid interventions that are bilateral aid to regional organizations or bilateral aid to limited multilateral programs, which are called mixed form or multi-bi aid (p. 41). Apart from development purpose, foreign aid has been provided for emergency relief in response to natural disasters, extreme poverty, and conflicts; and humanitarian assistance to support refugees, politically oppressed populations, minesweeping programs and human rights activities (p. 42).

Most of the foreign aid is provided by OECD's Development Assistance Committee (DAC) member countries, known as ODA. ODA is defined as government aid provided bilaterally or through a multilateral aid organization to promote the economic development and welfare of developing countries, which excludes military loans and credits (Keely, 2012, p. 49).

ODA has not been the only aid form, private philanthropy such as charities, Non-Governmental Organizations (NGOs) and civil society organizations and some non-OECD DAC member countries have also been providing aid (p. 53).

1.2. Historical Background of Aid

Financial exchanges between sovereign nations have existed throughout the history of civilization. These exchanges were mostly in shapes of gifts and were provided spontaneously to buy support and favors of the recipient nations.

The organized form of aid provision could be traced to Britain's 1924 provision of loans and investment in public projects in their colonies. Investment in the public projects at colonies was first intended to reduce unemployment in Britain caused by World War I (Ireton, 2013. p. 7). A subsequent long-term colonial development program was initiated in 1929 under the Colonial Development Fund Act (CDF). This fund invested £1 million annually for ten years for economic development of the British colonies (p. 7). Britain has further expanded their aid program through the Colonial Development and Welfare Act (CD&W) of 1940. Although the new Act came during wartime when resources were very limited, this act still allowed the British government to invest in development and welfare programs of the colonies (p. 8). After the Second World War in 1945, the CD&W was expanded and extended for ten years with a total budget of £120 million (p. 9).

Britain was not the only country providing aid to its colonies. Other colonial powers, such as France and Germany also had aid packages for their colonies across the world. The colonial aid programs originated decades before the Marshall plan for reconstruction of the post-World War II Europe, but most of the scholars designate the Marshall plan as the foundation of

modern development aid (Acharya et al., 2004; Degnbol-Martinussen & Engberg-Pedersen, 2003; Edwards, 2015).

In 1947, US secretary of state, George C. Marshall planned to provide aid for European countries to enable them to rebuild economically after World War II destruction (Degnbol-Martinussen & Engberg-Pedersen, 2003, p. 8). The US aid program was soon expanded to other parts of the world as the Cold War spread to the developing countries in Latin America, Africa, Middle East and Asia (Lancaster & Van Dusen, 2005, p. 10). In 1961, the US government created the United States Agency for International Development (USAID) to bring together different individual aid programs under one umbrella with a primary goal of promoting international development and US diplomatic objectives (p. 10).

Foreign aid programs have dramatically increased and expanded as the West and the East entered the Cold War and the former colonial powers struggled to maintain their colonial domination over their recently independent colonies (Degnbol-Martinussen & Engberg-Pedersen, 2003; Stokke, 2013). Aid strategies and interventions have evolved continuously with changes in the global political arena. In the 1960s the dominant development theory was the trickle-down effects of the investment in infrastructure and technology, while in the 1970s development focus shifted to integrated rural development projects and fulfillment of basic needs (Degnbol-Martinussen & Engberg-Pedersen, 2003). In the 1980's and 1990's, with the end of the Cold War, OECD countries have focused on structural adjustment programs (Degnbol-Martinussen & Engberg-Pedersen, 2003; Jones, 1997).

Apart from achieving humanitarian and development targets, aid has been provided to achieve political and national security objectives, economic and trade expansion and maintaining former colonial relations (Degnbol-Martinussen & Engberg-Pedersen, 2003). The more recent

motives are to control global warming, migration, narcotics, HIV/AIDS and terrorism (p. 9). Considering the political motives of the donors and the shifting strategies of development, different agendas have been established to promote the effectiveness of aid. The camp at one extreme believes that official development aid damages the developing countries and aid is not effective at all, while the camp at the other end of the spectrum appeals for more development aid to help reduce poverty and claims that a sufficient volume of aid has never been provided to achieve the development goals (Edwards, 2015).

1.3. Aid Effectiveness

The aid effectiveness discussion has been a part of development aid since the beginning of modern aid, and several international interventions and high-level forums have been convened to make development aid more effective (Kasten, 2016; Wood et al., 2011). Most development strategies have not been effective to utilize aid resources to achieve a maximum impact on development and to enable both donors and recipient countries to fulfill their global and national commitments (OECD working party, n.d.; OECD, 2011). Aid effectiveness is a traditional and current debate amongst academics and practitioners (Klingebiel et al., 2016; Wood et al., 2011).

Debates on the effectiveness of aid gained momentum after the 1980's "lost decade for development" when donors' structural adjustment programs caused negative effects to social sectors in several developing countries (Martini et al., 2012, p. 931). The structural adjustment programs have not been the only reason for aid ineffectiveness. In the current aid architecture, the struggle and competition to obtain grants and projects have become the ultimate goal for many NGOs (Wallace, et al., 2007). To meet donor reporting and accountability requirements, development workers spend much of their resources to attract donors and have been transformed

from serving the people to serving the donors (Wallace et al., 2007). To respond to criticisms of effectiveness of aid, the OECD, home to major shareholders of international aid, has initiated the High Level Forums (HLF) on aid effectiveness. The purpose of the HLFs was to bring together representatives of donor-countries, recipient-countries, international aid management organizations and civil society organizations to discuss and formulate principles to maximize the impact of aid and meet the development goals (OECD, 2010b).

The High Level Forums on Aid Effectiveness have been hosted by the OECD, which itself was once an aid recipient organization. OECD's predecessor, the Organization for European Economic Cooperation (OEEC) was established to administer the Marshall plan. The successful implementation of Marshall Plan encouraged OEEC to become an aid provider organization. The OEEC thus transformed to OECD, by admitting new members and developing an expanded mandate to promote global trade and economic development (OECD, n.d.b). The OECD currently consists of 39 countries, which represent 80% of world trade and investment (OECD, n.d.a). To effectively manage their development activities, OECD established the Development Assistance Committee (DAC) with a mandate:

to promote development co-operation and other policies so as to contribute to sustainable development, including pro-poor economic growth, poverty reduction, improvement of living standards in developing countries, and to a future in which no country will depend on aid (OECD, 2010a, p. 3).

Members of DAC have been the major aid providers, and they collectively contributed to more than 80% of ODA (Keely, 2012). In spite of being the biggest aid provider, OECD (n.d.a) accepts that foreign aid is not always successful because of “lack of co-ordination, overly ambitious targets, unrealistic time-and-budget constraints and political self-interest have too often prevented aid from being as effective as desired” (A history section, para. 2).

To move towards more effective aid and address the critiques of existing aid strategies,

OECD in partnership with other aid actors organized four HLFs on Aid Effectiveness. These forums are known as the Rome Declaration on Harmonization of 2003, the Paris Declaration of 2005, the Accra Agenda for Action of 2008 and the Busan Partnership for Effective Development Cooperation of 2011 (OECD, 2003; OECD, 2005; OECD, 2008; OECD, 2011). In all of these forums, donors and recipient countries have jointly agreed upon and committed to various principles and practices for improving the effectiveness of aid. The common commitments of the signatories throughout the four forums were, to improve development harmonization, simplify development administration, consider recipient country strategies and systems, improve donor alignment and ensure recipient country ownership and leadership (OECD, 2003; OECD, 2005; OECD, 2008; OECD, 2011).

1.4. Aid Fragmentation and Division of Labor

Since the 1960s development cooperation has changed enormously with the arrival of new donors (Santiso & Frot 2013). The number of donors has nearly tripled over the last 50 years (Sindzingre, 2012). In the year 2000, on average 23 official donors have been involved in each developing country (Acharya et al. 2004), while this number has further climbed in recent years with the proliferation in aid volume and entrance of new donors. Donors and projects proliferation is in general negative (Schulpen & Habraken, 2016) and may lead to aid fragmentation and aid ineffectiveness (Schulpen & Habraken, 2016; OECD, 2005) because the donors do not collaborate with each other and may harm the recipient countries (Negre and Klingebiel, 2016). In fragmented and uncoordinated aid, the funds are misallocated, transparency is reduced, chances of corruption rise, the recipients' already weak capacity is overburdened, country ownership is undermined and there are increasing transaction costs (Acharya et al.,

2004; Pietschmann, 2016a; Schulpen & Habraken, 2016; World Bank & IMF, 2010). According to Birdsall (2015), aid fragmentation overburdens the recipient countries, because various donors demand duplicative and conflicting administrative and accountability measures from the recipient country which creates unnecessary transaction costs and exhausts the limited capacity of the recipient countries (Negre and Klingebiel, 2016; OECD, 2003).

Rahman and Knack (2004) consider the Marshall plan as the most successful aid intervention and argue that the lack of fragmentation was the major reason for its success. The recipient countries in the Marshall plan had to deal with only one donor, while the current recipient countries are dealing with dozens of bilateral donors and multilateral organizations and hundreds of implementing agencies (Rahman and Knack, 2004). Aid fragmentation has also been identified by the DAC's Task Force survey as one of the main reasons of aid ineffectiveness in developing countries (OECD, 2003). Aid fragmentation results from two kinds of proliferation (1) donor proliferation, little aid to too many countries and (2) sector fragmentation, little aid distributed across sectors, programs and projects (Birdsall, 2005). Acharya et al. (2004) also believe that aid fragmentation occurs because many bilateral and multilateral aid agencies provide aid to a single country and then divide the aid across different sectors through individual projects (cited in Negre and Klingebiel, 2016, p.277).

Increased donor coordination and complementarity is expected to improve aid efficiency by achieving development targets with less financial resources; and to improve aid effectiveness by improving impact and outcome (Negre & Klingebiel, 2016). A study conducted by the European Commission and European Parliament estimated that if European Union donors closely coordinate its development activities, 15-20 percent of the total European Union development aid could be saved (Mackie, 2016).

Donor countries understand the importance of effective coordination and complementarity for achieving the development goals (OECD, 2003). The core motivation for establishment of the OECD DAC in 1961 was to improve coordination and overcome fragmentation (Herman, 2013). Improving coordination, supporting harmonization and reducing fragmentation and duplication, were the key topics of discussion throughout the high level forums on aid effectiveness (OECD, 2003; OECD, 2005; OECD, 2008; OECD, 2011). To reduce fragmentation and improve complementarity, the Paris Declaration recommended donors' division of labor based on their comparative advantages (OECD, 2005). To advise practical steps for a country-led division of labor and complementarity, the OECD Working Party on Aid Effectiveness proposed eight principles to "increase complementarity, improve alignment, and reduce transaction costs" (OECD, 2009). The OECD (2009) division of labor principles are:

Partner country leadership: Under the partner country leadership, the donors will be assigned to lead a specific sector or area based on each donors' comparative advantages and their long-term aid commitments. The partner government will ensure participation of all relevant stakeholders and the process to be inclusive, realistic and sustainable.

Rationalize aid: Donors will only do what they do the best, which will result in reduction of overhead costs through economies of scale. Duplication and overlap in activities will be reduced, and partner countries' overhead cost and administrative burden will also be reduced by reporting to fewer donors per sector.

Optimal use of development resources: Donors should have clear responsibilities for the sector they will be leading and ought to leave the sectors where they are not effective. Donors' withdrawal from a sector should not leave any gap or unpredictability. Development activities should be aligned with partner country's national strategy and budget. A Management

Information System will further optimize use of development recourse for identification of gaps, overlaps, transparency, and accountability in development activities.

Flexibility and pragmatism: Effective division of labor involves good negotiation, pragmatism, and flexibility, which can be realized by provision of more authority to the donors' field offices and staff to be able to adopt changes for effective and efficient development activities, instead of just following blueprints. Inter-donor cooperation is essential for offering and merging their skills and expertise for capacity building of the emerging lead donor.

Capacity development: A key objective of division of labor is to enable national systems and institutions for aid management, oversight, and sustainability. Donors should build capacity and systems, if not present.

Neutral impact on aid volume: Withdrawal from a sector or reduction in the overhead and management cost should not result in reduction of the donors' overall aid level to a partner country.

Monitoring and evaluation: The process of division of labor should be monitored and evaluated, to highlight achievements for further support and to identify problems and costs for further improvement of the process. Monitoring and evaluation should be carried out through existing structure not by creating additional parallel structures.

Communication: For the success of this process, the donors need an effective communication strategy to inform stakeholders, gain support and to enrich the process.

The OECD (2009) division of labor principles will be used as a framework to analyze the textbook provision case in Afghanistan. Therefore, this study has chosen a textbook provision case as the basis for evaluation of the implementation of aid effectiveness commitments and their efficacy on the ground. The next chapter will explain the method and design of the research, and

how I collected data.

2. Methodology

This qualitative research examines implementation of the international commitments on aid effectiveness in a developing context, using a case study of textbook provision in Afghanistan. The topics of effectiveness and fragmentations of aid in Afghanistan will be studied “holistically, as interactive, complex systems rather than as discrete variables that can be measured and manipulated statistically” (Rossman & Rallis, 2017, p. 8). In this research, the main evidence comes from qualitative interviews. The data collection and review of case-related documents started in the summer of 2017, but the main interviews were conducted in January 2018.

2.1. Research Questions

This research will study the textbook provision case and related development practices in Afghanistan. The research will analyze the interview data to answer the following questions:

1. To what extent are the international commitments on aid effectiveness implemented?
2. What are the main challenges of implementing aid effectiveness commitments?
3. What initiatives can improve donor complementarity and aid effectiveness?

2.2. Design

The case study research method is applied in this study for an in-depth and holistic investigation and explanation (Zainal, 2007) of aid fragmentation. This research triangulated sources of information to establish validity and to provide more general conclusions and

recommendations (Yin, 1994; Zainal, 2007). Key informants were selected from relevant organizations and different departments and projects within the organizations.

A) Interviews. I used a purposive sampling approach to select participants with in-depth information from different departments involved in development programs and textbook provision for detailed semi-structured, face-to-face interviews. To provide a comprehensive description of the case, the semi-structured interviews allowed the participants to express their values and experiences in a way significant to them, and focus on topics they think are essential (Stephens, 2007). The interviews were conducted at places comfortable to the participants. Except for the high-level government officials who had substantial privacy in their offices, all other interviews were conducted in unofficial – private spaces. Some of the participants were contacted after the interview for follow-up clarifications and details (Rossman & Rallis, 2017). Because of the distance, the follow-up conversations were all online and were easily handled because in this research we didn't discuss personal and sensitive topics (Seitz, 2016).

The interviews were all recorded on a digital audio recorder and written notes of the interview were taken. Most of the interviews were conducted in local languages, Pashto and Dari. The interviews were translated and transcribed into English by the researcher for analysis. This research gave the participants a voice and used quotations from the interviews instead of only describing what the participants said.

B) Sample. To allow different perspectives and stories which would give a broad understanding of the case and the overall development environment in Afghanistan, participants were selected from different relevant organizations and different departments within the organization. In total, 12 interviews were conducted, translated, transcribed and coded. In broad,

the interviewees were all male employees of Ministry of Education, Ministry of Finance (MoF), and two donor agencies.

Sampling was therefore arranged, trying to cover all categories and hierarchal levels involved in the development programs and the textbook case. Further details will not be provided on the characteristics of the sample population, because some participants did not feel comfortable in revealing their organizations or positions they held within the organization.

C) Researcher Positionality. I share a similar cultural, gender, language and socio-economic background with the participants of this research. I worked for more than six years with the MoE, and I was involved in different development activities including a textbook printing and distribution project. I was not directly involved in the project discussed in this research.

My work experience at MoE and the development programs helped me gain a comprehensive understanding of the scope of the fragmentation in the development activities in Afghanistan, and it gave me certain advantages, including easy access to key officials involved in aid management and the textbook provision projects. My pre-existing professional relations with participants made it easy for me to build a scaffold for developing trust (James & Busher, 2006).

Working at a managerial or senior level in Afghan ministries would make interviewees more protected, but anonymity of the participants allowed them to talk with more confidence and provide information that is not easily accessible. In this research, for the purpose of clarity, only the function of the participants has been presented, i.e., MoF employee, Donor Agency employee, MoE senior official, etc.

D) Data Analysis Procedures. The interview recordings and notes were fully transcribed. All interviews were directly transcribed from Pashto and Dari into English, except one interview that was conducted in English. A qualitative software, NVIVO was used for the coding and analysis. Two coding schemes were used. In the first scheme, information was collected relevant to the nodes inspired by the principles of division of labor. In the second scheme, the nodes were produced by reading the interviews and sorting the information provided, based on the themes that explain the research questions.

E) Validity Controls. Data from different participants was triangulated in pursuit of consistency. Various approaches of triangulation were applied to check for consistency in the interviewee information, data from other interviewees, data from literature and the consistency of examination approaches of the researcher (Stake, 1995). The case is explored through the voices of the participants to better understand the various aspects of the case. The opinions articulated in this paper are the researcher's, and in no way represent those of anyone else.

2.3. Limitations

This is self-funded research, and because of lack of resources, I had to conduct interviews during a 20-day visit to Kabul in the winter break of 2018. The security situation in Kabul and frequent staff rotations in donor agencies made it difficult to contact and interview more officials from these agencies. Many international staff of the donor agencies that I worked with have been transferred to other countries and people who replaced them were not interested in participating in this research. I was not able to have a substantial number of participants from these organizations. Distance was another limitation of this study. I wanted to conduct follow-up interviews; the different time zone made online communication difficult with research

participants. The nine hours of time zone difference delayed the research because of difficulties in responding to correspondents and deciding on a convenient time for follow-up interviews (James & Busher, 2006).

The following chapter will provide general information about the context and current developments and education situation in Afghanistan. It will also explain the textbook provision cycle.

3. Context

In this section, a brief overview of Afghanistan and recent political developments will be provided. This background information about Afghanistan will help the reader better understand the capacity and security challenges in the country, as well as the flow of development aid and presence of international development partners.

I will then describe the achievements and the current situation of the education sector in Afghanistan. At the end of this chapter, the textbook provision cycle and a brief description of the case study will be provided.

3.1. Afghanistan

The current political entity of Afghanistan was established in mid-18th century and has always been a unitary state. Afghanistan is a landlocked country connecting central and southeast Asia. The country's total area is 652,864 km² with an estimated population of 35 million people. Afghanistan is one of the world's least developed countries, with a gross domestic product (GDP) of USD 19.7 billion, per capita GDP of \$590 and almost a quarter of the population is unemployed (World Bank, 2017).

Afghanistan enjoyed relative peace and stability before the Communist coup in 1978 and subsequent Soviet invasion in 1979. The Soviet invasion sparked widespread unrest all over the country, and millions of Afghans emigrated to the neighboring countries, especially to Pakistan and Iran. The Afghans with support of the emigrated population started an armed resistance and operations against the Soviets and its communist government. The resistance groups were called "Mujahedeen". Mujahedeen's fierce resistance and international criticism forced the Soviets to withdraw in 1989. The Soviet supported and installed government collapsed in 1992, while the

Mujahedeen groups failed to reach a consensus on a new government. The decade-long war was catastrophic for Afghanistan: more than one million people died, more than five million sought refuge abroad, half of the agriculture sector was destroyed, about 35 percent of villages were ruined and 70 percent of paved roads destroyed (Mite, 2004).

After the Soviet withdrawal, the international community abandoned Afghanistan in a situation where no legitimate/central government existed. A country without a central government and national institutions turned to the battleground of the heavily armed competing Mujahedeen groups supported by rival regional countries. The four-year civil war destroyed the infrastructure and the institutions established under previous governments. The lengthy and destructive civil war significantly reduced the popularity of the Mujahedeen groups and paved the way for emergence of a new conservative group, who promised to bring peace and stability to the country. This new group was called the Taliban movement, which took over much of Afghanistan by 1996. Except by a few regional countries, the Taliban regime was not officially recognized by the international community.

The Afghan political structure once again changed with the September 11 terrorist attacks in the US, which were planned by Al-Qaida, at that time based in Afghanistan. This event shocked the world and Afghanistan once again became a priority in international politics. NATO-led forces invaded Afghanistan to topple the Taliban regime and support the establishment of a democratic government instead. Learning from their previous experience, the international community committed to support the newly established government and assist the reconstruction of the war-torn Afghanistan. To succeed their intervention and make Afghanistan economically develop, NATO countries started provision of massive foreign aid to Afghanistan.

This war-torn country required substantial long-term development interventions in all sectors, to economically develop and assist the government to be able to provide the required basic services to its people. But, Taliban and Al-Qaida have once again surfaced and started an insurgency to undermine the western intervention in Afghanistan. Along with military targets, the insurgents also attacked developmental and humanitarian projects to make it harder for the Afghan government to organize and for the international community to succeed. The security situation has been continuously worsening. A recent BBC report claims that Taliban have an active presence in 70% of Afghan territory and control about half the population of the country (Sharifi & Adamou, 2018, January 31).

Because of these challenges, domestic revenues have not been sufficient to cover a substantial portion of the national budget. The Afghan government has been dependent on donors to finance a huge portion of the national budget. However, a lot of development projects have been financed Off-Budget (not channeled through MoF and not part of the national budget), and the government's domestic revenues only financed 42% of the USD 5.6 billion national budget for the fiscal year 2018 (Integrity Watch Afghanistan, 2017). This has been the highest proportion of the national budget covered by domestic revenues since the establishment of the current government. Major reasons for the rise of the share of domestic revenues in the national budget is an increase in the revenue collection and a massive decline in the national budget. Fiscal year 2018 budget is 13% lower than the budget for fiscal year 2017 (Integrity Watch Afghanistan, 2017).

While the active conflicts add to the burden of the government, immigration has been another major challenge of the Afghan Government. There are millions of Afghan refugees living in Pakistan and Iran, who should be returned and resettled. Over a million refugees

returned to Afghanistan in 2016, adding to the responsibilities of the already struggling government (Farivar, November 16, 2016). On the other hand, the most educated Afghans are leaving the country for better opportunities in western countries. Afghans represent the second largest nationality of immigrants in the European immigration crisis of 2014-2015 (BBC, March 04, 2016). By March 2017, under the United States Special Immigration Visa (SIV) program for Afghanistan, 7,391 visas have been issued to Afghans, who on average are accompanied by 3-4 family members (US Department of State, n.d.). Immigration of these highly educated and experienced Afghans to the western countries further increase the existing wide gap of capacity in the government institutions.

Security, immigration and weak administration have remained the top challenges in Afghanistan. These problems have massively affected the government operations and the development interventions.

3.2. Foreign Aid in Afghanistan

NATO's military intervention in Afghanistan was followed by a massive flow of foreign aid (OECD, 2017, December 22). For more than a decade, Afghanistan remained the top ODA recipient country. In the years 2014, 2015 and 2016, Afghanistan received annually 4.5 billion USD of ODA on average (OECD, 2017, December 22). The development assistance for Afghanistan is coordinated through a series of high level international conferences on Afghanistan. The first of these conferences was held in Bonn in 2001, which marked the establishment of the new democratic government of Afghanistan and the international community's commitment to support the reconstruction of Afghanistan. The most recent of these conferences was the Brussels Conference on Afghanistan in 2016. In Brussels, the international community reaffirmed their commitment for development of Afghanistan and more effectiveness

of aid through country ownership, use of country systems and on-budget funding (Brussels Conference on Afghanistan, 2016, October 05). The international community committed to provision of USD 15.2 billion over the period 2017-2020 for Afghanistan's development priorities (Brussels Conference on Afghanistan, 2016, October 05).

The proliferation and diversity of donors and implementing partners were considered essential for a functioning and stable government in Afghanistan. Much of the progress since 2001 has been supported by aid (World Bank, 2012). In 2016, 57 individual donor agencies have supported different development interventions in Afghanistan (OECD, 2017, December 22). The diversity of development actors and the rapid rotation in international staff make Afghanistan one of the most challenging contexts to understand and to operate in (OECD, 2010c). In Afghanistan, aid is also linked to "corruption, fragmented and parallel delivery systems, poor aid effectiveness, and weakened governance" (World Bank, 2012). The involvement of multiple development actors in each sector has fragmented the aid, which is considered one of the main aspect of the ineffectiveness of aid (OECD, 2005).

The sharp surge in aid resources made Afghanistan one of the highest dependent and receiver of aid. In 2010/11 security and civilian aid was estimated USD 15.7 billion – almost equal to the whole GDP (World Bank, 2012). In 2017, received ODA constitute almost a quarter of the national GDP, while it was more than all government revenues (World Bank, 2017b)

In Afghanistan, the aid resources are channeled in two ways; the Off-budget and the On-budget. The off-budget aid resources are channeled outside the national budget and government systems: the donors directly contract and manage off-budget projects (MoF, 2013). On-budget aid is included in the national budget, aligned with government priorities and managed by government systems (MoF, 2013). The on-budget is further divided into operating budget and

development budget. The ordinary budget only covers recurrent cost, while all construction, capacity building, system development and improvement activities are coming under the development budget (MoF, 2013). Traditionally, most of the aid is spent off-budget, as in 2011, 88 percent of aid disbursed off-budget by donors and their partners (World Bank, 2012). As the donors committed increased on-budget spending, the on-budget share on ODA increases. In 2016, 59 percent of ODA was committed to be spent on-budget (EQUALITY for Peace and Democracy, 2016)

Because of the low capacity of Afghan institutions and the need for urgent impact, the donors relied on substituted capacity in the form of externally funded staff or establishment of duplicating project implementation units (PIU), rather than improving and supporting the civil services (World Bank, 2012). The substituting capacity scheme was one of the causes of fragmented development efforts, reduced transparency and weakened government institutions (World Bank, 2012).

A drawback of the off-budget aid is that “spending “on” Afghanistan is not spent “in” Afghanistan, as it leaves the economy through imports, expatriated profits of contractors, and outward remittances” (World Bank, 2012). Despite large aid spending, the local economic development impact is limited, because “the local content of external budget aid is estimated at only 10–25 percent, compared with around 70–95 percent for on-budget aid” (World Bank, 2012, p.xix).

Off-budget and On-budget ODA: 2010/2011

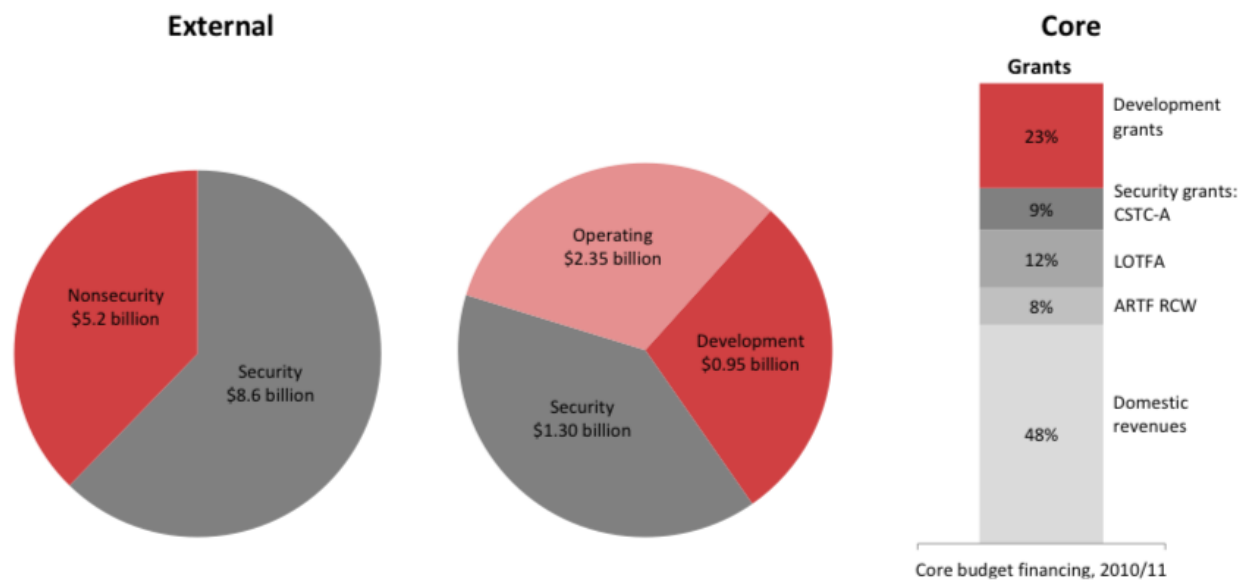


Figure 1 off-budget and on-budget ODA: 201. Adapted from *Afghanistan in Transition: Looking Beyond 2014* (2012), by World Bank (p.v)

Increasing On-budget execution of aid and using government systems would improve aid effectiveness (World Bank, 2012). With new donor commitments, more aid will be executed On-budget, but the Afghan government needs to absorb and develop capacity to be able to manage the increased aid and to reduce the current development budget carryovers and improve development budget execution rate which is on average around 40 percent (World Bank, 2012).

The World Bank (2012) predicts an even slower growth rate of the economy in consideration of different factors, and also predicted reduction in the overall aid flow to Afghanistan. As shown in the figure 2, the development aid to Afghanistan is shrinking, so the Afghan government will not have sufficient resources to provide basic services and implement sufficient developmental programs. The government and the donors need more concentration on effectiveness of aid, to fill the aid gap and continue provision of services.

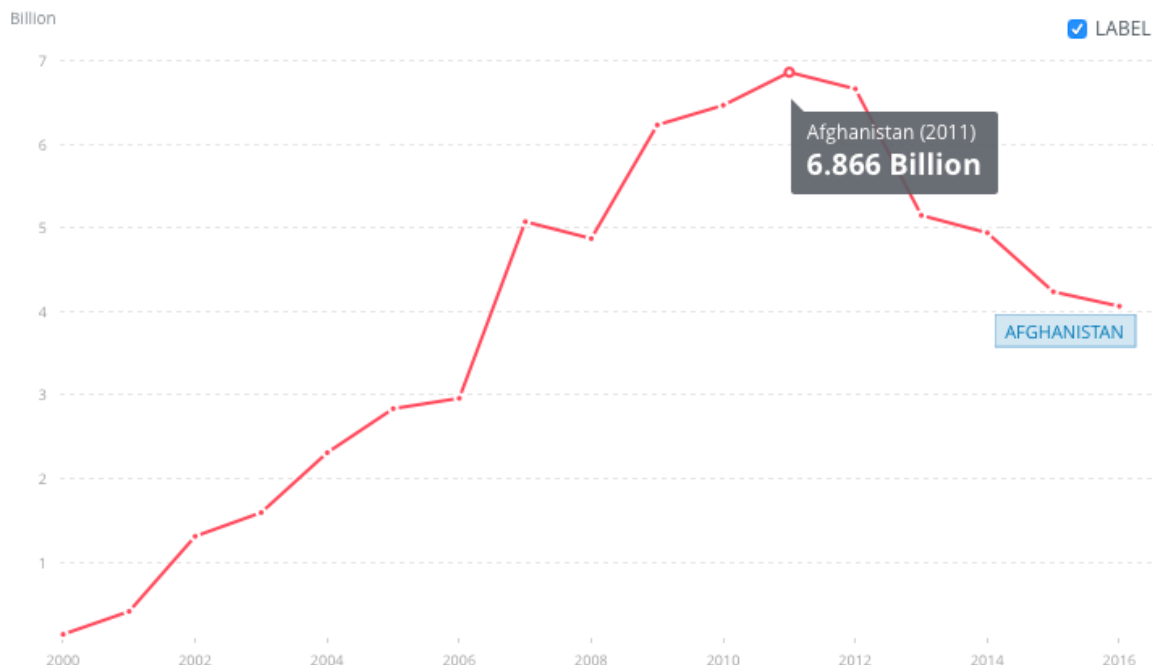


Figure 2 Net official development assistance received: Afghanistan. By World Bank (n.d.)

3.3. Education Sector

The Afghan constitution obligates the government to provide free education to its citizens up to the bachelor’s level in the public educational institutions. To fulfill its constitutional obligation, the government of Afghanistan with donors’ assistance has made significant achievements in the education sector. The number of enrolled students increased from less than a million in 2001 to over 9 million in 2016, the number of schools increased from 3,400 to 16,400 and more than 8,000 school buildings were constructed (MoE, 2016).

Despite the enormous accomplishments, Afghanistan lags behind all the regional countries in many educational indicators and has one of the lowest literacy rates in the world. The literacy rate for age 15+ is 62 percent for men and 18 percent for women, while the median

literacy rate in low-income countries is 70 percent for men and 57 percent for women (MoE, 2016).

According to MoE (2016) the major challenges are: (1) almost half of public schools lack satisfactory buildings; (2) only 55 percent of children aged 7-12 are attending schools; (3) 1,681,250 students, which makes 18.3 percent of the total registered enrolled student in 2014, were permanently absent; (4) the average school life expectancy is 9.6 years, which is 12.4 for urban students and 4.4 for rural students; (5) over 3.5 million school age children are out of school; (6) only 84 percent of children who enroll in grade 1 of primary school will ultimately graduate; (7) more than half of the teachers do not have satisfactory teaching qualification; and (8) Afghanistan does not have a standardized assessment system to ensure relevance and quality of learning.

The government of Afghanistan is not yet able to provide sufficient budget for MoE's activities. Through the operating budget, the government only finance MoE's recurrent costs, more than 93 percent of which is allocated for wages (MoE, 2016). Most educational improvement programs are dependent on donor assistance, which involves school construction, textbook printing and distribution, community-based education, monitoring and assessment, and capacity building programs.

To support MoE's developmental activities, USAID, DFID, DANIDA, World Bank, the UN Agencies and the Embassies of Sweden, Canada, Germany, Australia, Japan, Norway, and Finland support educational programs through their On-budget and Off-budget aid (MoE, 2016). Apart from some programs where different donors pool funds through the Afghanistan Reconstruction Trust Fund (ARTF) managed by the World Bank, most of the donors also have bilateral aid programs and projects.

3.4. Textbook Provision

To ensure free education for every Afghan citizen and encourage children's enrollment, the MoE is providing free textbooks to public school students. Printing and distribution of textbooks are costly activities and there is no funding under the operating budget for these activities because of budget constraints. MoE (2016) estimates that 50 million textbooks need to be printed and distributed annually at the cost of USD 30 million. These activities are all dependent on donor support, for which the MoE has never had sufficient and long-term budget commitment from the donors. Throughout the years, multiple donor agencies have offered their technical assistance and aid for provision of free textbooks to public school students. Despite huge financial and technical donor support, MoE (2016) admitted that printing and distribution of textbooks have not been successful and many students have never been provided a complete set of textbooks. MoE (2016) stated that fragmentation and conflicting requirements of the donors in the process as a reason for increased bureaucracies and delays in the textbook provision process (MoE, 2016).

Textbook printing and distribution is a complicated process. According to the World Bank (2011), textbook provision process has three phases, the request, allocation and delivery as explained below:

Requesting the textbooks. At the end of the academic year, the school bookkeeper collects distributed textbooks that are still in usable condition from students, counts them and stores them in the bookstore. The request for textbooks starts at each school by identifying the number of new textbooks they need. Each school fills the request form (F13) and submits it to the District Education Department (DED). The DED collects the requests from all the schools

and sends them to the Provincial Education Directorate (PED). The PED, compiles the requests of all districts of the province and sends a request form to the Publication directorate of MoE.

Allotment of textbooks: Based on EMIS enrolment data and the number of textbooks previously distributed, the MoE publication department determines the overall number of textbooks needed for the next academic year. The projected number of textbooks needed is always increased by 20-30 percent because of unexpected necessities (additional needs and deterioration of old books). The quality of currently printed textbooks has been improved and the expected life of a textbook is now three years. The publications department then prepares the distribution plans based on the requests collected from the PEDs.

Distribution of textbooks: The distribution plan specifies the number of textbooks that will be delivered to each province. The MoE delivers the textbooks from the main warehouse in Kabul to the PED warehouses in respective provinces. The logistics unit of the PED receives, counts and stocks the textbooks. Based on each district's request, PEDs distribute the textbooks to the DEDs, who are then responsible for the final distribution to the schools.

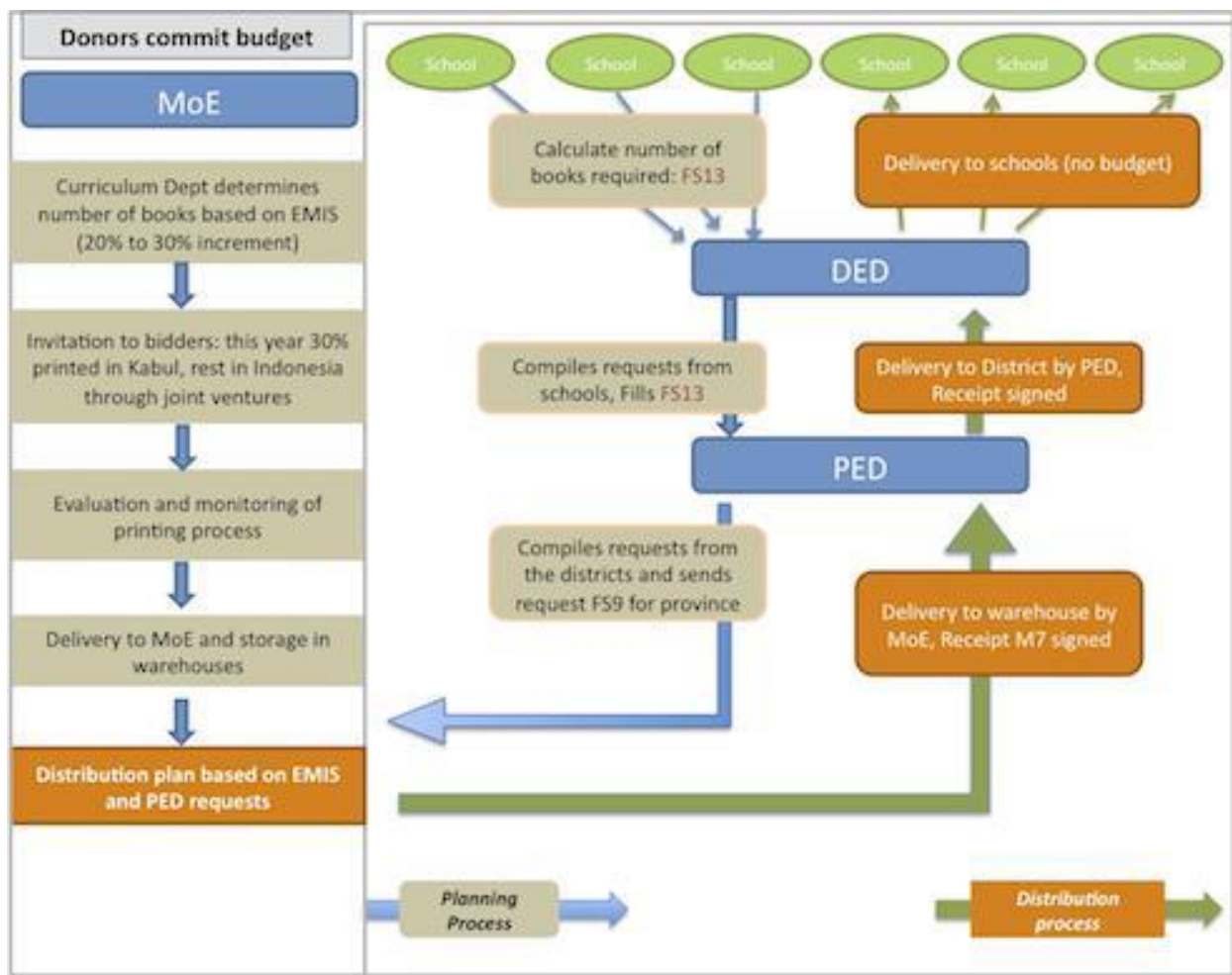


Figure 3 Textbooks distribution process. Adapted from Afghanistan - Public expenditure tracking survey (2011), by World Bank (p.69)

Source: World Bank, 2011

3.5. The Case Study Project Partners

The Ministry of Education with cooperation of donors regularly prints textbooks to fulfill its constitutional commitment of providing free education to all Afghan children. Most of the textbook printing and distribution projects are implemented with support of donors. The project discussed in this research as a case study was supported by three donors. Each donor had a

different role in this project, and their activities were managed through distinct projects. In this case, the World Bank supported printing of 3.7 million textbooks, DANIDA supported printing of 13.8 million textbooks, and USAID supported distribution of the textbooks printed by World Bank and DANIDA. The detailed process of the case study project and implications of the aid fragmentation in this project will be discussed in the following chapter.

4. Findings

In this chapter, I will discuss and present the findings of this qualitative study. The findings are themed according to the first two research questions. First, through a summary of the textbook provision case study the progress of implementation of the international commitments on aid effectiveness and division of labor will be explored. Then, the main challenges and obstacles that prevented the development stakeholders from implementing the international commitments for aid effectiveness and donor complementarity will be described.

4.1. How Was the Project Implemented?

This section is a description of the textbook case study. The implementation process, challenges, the reasons for delays and other aspect of the case study will be described. This description is a summary of the interview data of the two MoE interviewees who were responsible and involved in the management of this project. Generally, the information is provided as a summary of the interviews, but in some instances I used direct quotes from the interviewees.

4.1.1. World Bank's Role in the Case

The World Bank through its EQUIP program started the process of printing of 8.4 million textbooks in 2013. In March 2013 the procurement process of the project was initiated and after the bidding process, “in August 2013 MoE submitted the procurement documents for the World Bank’s No Objection Letter (NOL)”. The World Bank refused to approve the procurement process, because the project contained printing of Islamic education textbooks which is “part of the standard curriculum of the general education in Afghanistan.” After almost a year of discussion about the exclusion of the Islamic education textbooks, the contract was awarded to

an Indian printing company, Repro India Ltd (Repro). By excluding the Islamic education textbooks, “the number of textbooks to be printed was reduced to 3.7 million”.

As a contract requirement, the contractor (Repro) submitted a performance guarantee with a foreign bank that was not recognized by the Central Bank of Afghanistan. “It took more than six months for the contractor to submit another performance guarantee from an internationally reputed bank.” Officially the contract validity starts from issuance of the Letter of Credit (LC). Because of these administrative delays the LC was issued by the Central Bank of Afghanistan in June 2015. As contracted, the “contractor printed and delivered the textbooks to MoE’s warehouse in less than three months.” The actual project activity, which was production and delivery of the textbooks, was completed within three months, while the procurement and other administrative processes took more than two years. The delays occurred because of the lengthy World Bank approval processes and non-clarity of the World Bank’s requirements and also lack of experience of the contractor, who did not provide the required bank information on time.

The transportation of the textbooks to the provinces was not part of the project, and MoE’s resources were not enough to transport all the textbooks to all the provinces. So, another donor (USAID) was asked to support the transportation of the printed textbooks.

4.1.2. DANIDA’s role in the Case

In May 2014, MoE initiated another to print 13.8 million textbooks supported by DANIDA, through its ESPA II program. To have a competitive procurement process, “the project was divided into five smaller lots.” When the MoE procurement department received bids and evaluated the bids, “One of the bidders was qualified for three lots, but DANIDA informed MoE not to issue any bidder more than two lots, which is against the procurement law of

Afghanistan”, because it was not mentioned in any document that a bidder could not apply to more than two bids and “DANIDA did not ask for this before the bidding process”. There was no reason to reject a qualified bidder. If the MoE wanted to reject a qualified bidder, “this is considered corruption in the procurement process and the bidder had right to sue MoE for its illegal action.” Resolving this issue and “getting donor’s approval took almost a year.” The “contract was signed in June 2015, with three winning bidders”. The contracted companies were Repro from India to print 3.5 million textbooks, Pitambra Pvt. Ltd (Pitambra) from India to print 2.1 million textbooks and Hanoi Printing (Hanoi) from Vietnam to print 8.2 million textbooks. In December 2015 all three contractors delivered the textbooks to MoE warehouse within three months, but “due to DANIDA’s quality concerns, MoE was not able to distribute the textbooks.”

4.1.3. Donor’s accountability requirement got problematic

To ensure the quality and the quantity of the textbooks, DANIDA hired a third party quality control company, Avais Hyder Liaquat Nauman (AHLN) from Pakistan to verify the quality of the printed textbooks. In February 2016, the quality control company reported noncompliance in quality of the textbooks printed in Hanoi and proposed a 40 percent reduction of the contract value. Withholding more than 10 percent of the total project value because of contract noncompliance is against the procurement laws of Afghanistan. The Afghan procurement law rules that a contract should be terminated if the quality is compromised more than 10 percent. “Hanoi didn’t accept the quality assessment findings and recommendation of AHLN” and responded to the report that “the quality may not be as per the contract but it is even better than the contract.” The contract was “to cover the textbooks with single-sided coated paper”, but “Hanoi covered textbooks with double-sided coated paper, which is more expensive

and of better quality.” As there was no Afghan consulate in Vietnam, it was not easy for the Hanoi printing company’s representative to obtain a visa to come to Kabul for the clarification and discussion of this issue. After a long delay, “Hanoi’s representative arrived in Kabul and a second quality test of the textbooks was proposed.” The second report showed that the textbooks’ quality was not compromised. Getting DANIDA’s agreement and resolving this issue took almost one year. In the meanwhile, the “textbooks were all stocked at the warehouse and were not allowed to be transported to provinces and schools.” The problem was that the “textbooks printed by other donors and printers were also not able to be transported, because there was a single contract for distribution of all the textbooks printed by DANIDA and the World Bank.”

4.1.4. Donors’ conflicting procedures

As MoE did not have enough resources to distribute the printed textbooks, “MoE requested USAID to support the distribution of the textbooks printed by DANIDA and the World Bank.” With USAID’s financing, “Nawi Jabal-Saraj was contracted in July 2016 to distribute the printed textbooks”. At the time the distributor was to transport the textbooks, the quality control problem of Hanoi’s printed textbooks was still not resolved, and DANIDA did not allow distribution of Hanoi’s printed textbooks. The distributor was ready to partially distribute the textbooks printed by other printers whose textbooks did not have quality concerns, but “USAID was not approving partial payment for partial distribution.” USAID said that the contract is for distribution of all the printed textbooks and can only release the payment if all the textbooks are distributed, and cannot release the payment for partial distribution. So, the distributor had to wait until the quality issue of the textbooks was resolved and DANIDA approved distribution of

Hanoi's printed textbooks. As every contract has a limited validity period, "the distribution contract validity was ended in October 2016, without distributing any textbook".

Although the Ministry of Education was distributing small quantities of textbooks printed by Repro and Pitambra through its own vehicles to the nearby provinces, a "majority of the textbooks have been stocked in the warehouses until the quality issue was resolved." At the end of 2016, when DANIDA approved distribution of the textbooks, there was no valid contract for distribution of the textbooks and "procurement of a new contractor would have been taking several other months." At this moment "the President of Afghanistan has been informed of the situation, that printed textbooks have been stocked at warehouses." To prevent further delays in the textbooks distribution process, "the president ordered the Ministry of Defense (MoD) to urgently transport the textbooks through military vehicles to the provinces." MoE in cooperation of MoD completed transportation of the textbooks to the provincial centers in mid-2017, but "involvement of MoD had its negative impact on the process." As the military personnel were not experienced in this process and were not responsible to the MoE, "they have transported a lot of textbooks to one province instead of other provinces" and made many errors in the process. Involvement of military in "this process has politicized the education sector", which is in contradiction to a long-standing policy of the Afghan government to keep the education sector neutral and non-political because of the active insurgencies in Afghanistan.

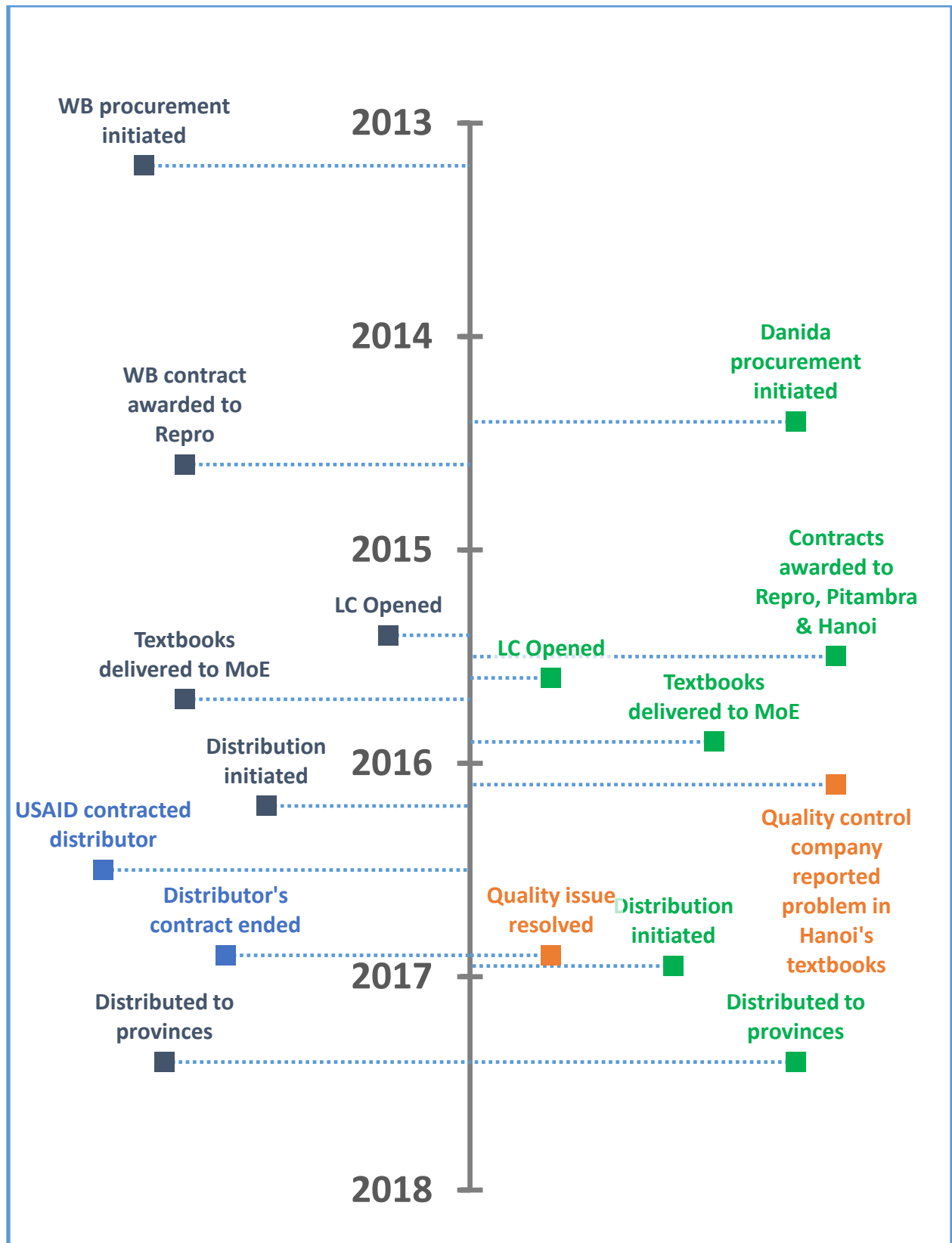


Figure 4 Case study projects' time-line, based on author's interviews and review of project documentation

4.1.5. Non-performance of aid effectiveness principles in practice

The textbook provision case started early 2013 and was completed in mid-2017. It could have been implemented and completed in less than eighteen months, according to a MoE official. It is obvious that the textbook provision case has not been implemented effectively. The textbook case study is neither the only project delayed or failed by the fragmented aid nor do all development projects face similar challenges. The context and nature of each development project is different, and each project faces different challenges. This case can serve as an example to illustrate how aid fragmentation and donors' conflicting accountability and administrative procedures harm the overall development objectives.

Partner country leadership for effective development coordination and cooperation is essential (OECD, 2009; Pietschmann, 2016a). The donors have committed to partner country leadership in the development programs (OECD, 2005; OECD, 2008). These commitments only remain on paper, but not in practice. The governments struggle to lead aid programs: as an interviewee said, "provision of services and leading aid programs is not only an issue of effectiveness, but it's also an issue of legitimacy of the government." As revealed in this case study, the government role is weaker and it's the donor who leads the development in Afghanistan. The interviewees from all organizations confirmed that most of the aid programs are designed by the donors, inspired by the donor priorities, strategies and approach for development. The governments' leadership role is undermined by government's low capacity, lack of access to donors' development data, high aid dependency and poor reputation.

As a division of labor principle, the donors need to limit their interventions and focus their investments on limited areas (OECD, 2009). The donors have not yet focused their programs to limited sectors or to limit their activities within a sector. Involvement of three major

donors in the textbook provision activity is a clear illustration of the fragmentation. A donor employee said that “the bigger donors have extended portfolios, and they want to invest in different sectors, it is difficult for them to focus and lead one sector or limit their activities to one sector.” The donors have their own resources and power to implement programs according to their own portfolios. A government interviewee affirmed this point and said that “every donor has its own independent office and investing in areas based on their own interests and directly providing funds to implementing agencies.” Even in on-budget funding, when the aid is channeled through government systems, donors created parallel and independent structures within the government organizations for the development program implementation. A government official explains this approach as:

the donors supported establishment of PIUs [Project Implementation Units], PMUs [Project Management Units], PCUs [Project Coordination Units] or PMTs [Project Management Teams] inside ministries to coordinate with the donor and substitute capacity at a ministry. In the Ministry of Public Works, at the same time each of the donors; World Bank, Asian Development Bank, USAID, Saudi Fund for Development, and the Islamic Development Bank had their own separate and independent PIUs. In most of the ministries, there were 5-6 of these PIUs Each PIU was independent, and there was no overall management to integrate them all together.

The OECD (2009) recommends development of management information systems for reliable, updated and easy-to-use data sharing, to improve visibility, accountability and transparency of aid interventions and to inform donors and the partner country of the overlaps and needs. This case study demonstrates that the projects are designed and implemented on ad-hoc bases, not through long-term coordinated planning to reduce fragmentation and uncertainty to improve aid efficiency under the government leadership.

Flexibility and realism are essential for aid effectiveness and division of labor (OECD, 2009). In-country missions of the donors need to be empowered, so they can adjust and adapt their programs according to the partner country context and new developments (OECD, 2009).

However, I observed in the case study that the donors were not flexible to adapt their practices for a smooth textbook provision process. For the donors, it was more important to implement their own procedures and accountability measures than to have good project results and outcomes. They all pushed for their own policies, no matter what happened to the project and the beneficiaries. The constant insistence of donors on implementing their own procedures has become a generally accepted term, i.e., it is accepted that donor practices cannot be adaptive and flexible. In this research both the government and donor interviewees perceived that donor agencies cannot change their policies and procedures, because it is developed for their international operations and it is difficult for them to adapt to a specific country.

International commitments exist that division of labor or withdrawal from a sector should not result in the overall decrease in aid volume or to create aid gap in that sector (OECD, 2009). One of the reasons that fragmentation exists in the textbook provision is that the government officials are not sure of the neutral impact of division of labor on the aid volume. The aid has never been stable and the volume of aid has dramatically changed over the years; USAID's aid obligation to Afghanistan has decreased from USD 2.2 billion in 2012 to USD 1.3 billion in 2014 and to USD 1.0 billion in 2016 (USAID, n.d.). Discussing the instability of aid, a senior government interviewee said: "Aid is always political, if you have good relations with developed countries, you receive aid and if you don't have good relations, you don't receive aid." The interviewees were not sure of neutral impact of the aid volume, if a donor is to leave a sector because of division of labor. There general concerns were that donor aid is not static, it changes with time and new developments. The government employees were also concerned about changing priorities of donors and its effect on the aid provision. An interviewee said, "the division of labor may result in inequity between priorities, because the needs are changing and

donor aid is irregular.” Another interviewee was also not sure of the neutral impact of division of labor, because “one donor has little resources and another donor is having more resources and the level of aid per donor is not constant and is affected by multiple reasons each year.”

Considering the current aid practices, there is no assurance that a donor’s withdrawal and another donor’s takeover will be a smooth process and no funding gaps would be created. A MoE official was not sure that withdrawal of other donors would not create a funding gap in the textbook provision and stated a recent case of DANIDA’s transfer of bilateral aid program to a multilateral aid agency:

DANIDA was providing its fund through a bilateral on-budget program called ESPA. They decided to provide their aid through the World Bank managed ARTF. Closure of ESPA has created a big gap because the agreed World Bank program is not yet operationalized and no one has taken over the activities supported by ESPA.

For successes of the division of labor, proper capacity and authority are required on both sides, the government and its donors, to effectively communicate (OECD, 2009). Negre & Klingebiel, (2016) distinguished aid coordination and communication on three broad levels:

Policy level is about principles and standards, strategic approaches and allocation patterns. The programming level is about approaches and strategies (such as a specific country strategy) during the aid programming phase. The implementation level focuses on how aid is coordinated during the aid provision phase (p.279).

As I observed in the textbook provision case, communication is very weak at all levels. The donor agencies have not provided sufficient authority to their local offices to coordinate on policy level and in most cases on the programming level too. A donor agency employee stated:

the donors don’t have decision-making authority in their local offices. The decisions are taken at their headquarters but their field staff are consulted. The field staff also provide inputs based on their overall policies.

As discussed in this section, aid effectiveness resulting from division of labor practices and commitments are not implemented. The failure of the textbook provision project confirms

that nobody can enforce aid effectiveness and prevent problems like those happening during textbook provision.

4.2. Challenges of Aid Effectiveness

Every sector in Afghanistan was damaged by the three decades of destructive wars. So, every sector needed investment and development interventions. Presence of international forces in the country has attracted all aid agencies to provide aid to different sectors, as a senior government official said that “in Afghanistan, everything is a priority and everyone [donors] is involved in everything.” Because of the poor economic situation and a high rate of unemployment, the Afghan government welcomed any kind of development intervention, as a government employee said: “when they [donors] present their development programs to the government, the government does not have another alternative and they accept it, they believe it’s better than nothing.”

In 2016, 57 individual donor agencies were supporting different development interventions in Afghanistan (OECD, 2017, December 22). Managing and coordinating this large, diverse and politically strong group is a difficult job for the Afghan government. The development programs are highly fragmented in Afghanistan as presented in the textbook provision case study. In the rest of this chapter, I will discuss some major reasons for aid fragmentation and ineffectiveness.

4.2.1. Donors’ global commitments undermine national development priorities

The traditional donors have their own global commitments and their own approaches to development. An interviewee provides for example that Canada’s priority is women rights,

Britain's interest is in security, while Germany invests most of its aid in the energy sector. In Afghanistan, international troops are concentrated in various geographic locations, and donors have another level of commitment towards the provinces where their militaries are stationed. An interviewee said, "DANIDA invested most of its aid in Helmand province because of their military base in Helmand, and they wanted to cover every sector of that province." Further, the donors sometime commit to supporting certain people or organizations. A government interviewee said, "They [donors] have some obligations for some people. They want to support a group or want to manage funds only through a certain organization they trust and have experience with".

Aid has always been political and the donors provide aid based on their own preferences and obligations. The donors, to be able to fulfill their commitments and achieve their political interests, are not willing to lose their control over the aid resources or fully engage the government in the decision making. After a long struggle, the Afghan government has only received donors' commitment to align 80 percent of aid with the national priorities and channel 50 percent of aid on-budget, through government institutions (MoF, 2013).

Most of the interviewees mentioned the donors' global development agendas and their priorities as obstacles for localizing their development programs according to the national development strategies and realities of the context they operate in. To have a free hand over the aid, donors do not commit to principles that would restrict them. As a senior government official said "Donors' international commitments are in a very high level; they don't have commitments at project level ...these agreements are international and mostly developed to favor the donors. It's not in favor of the aid recipient countries". The interviewee further provides an example of an aid effectiveness commitment:

They [donors] commit using recipient country systems, but they have conditions. Their conditions are that the recipient country systems should be able to meet donors' accountability requirements and they believe the government system isn't fulfilling their accountability requirements.

The aid is more effective when the donor does not have other priorities than the recipient country's development. According to the Afghan government officials, non-traditional donors (such as India, China, ...) are more effective than traditional donors, although non-traditional donors have far less staff and lack institutional capacity and experience of development in comparison to the traditional donors. The development programs implemented by non-traditional donors are proposed by the government and did not have attached political interests. These aid programs are considered more effective than the programs implemented by traditional donors, as a senior government official explains:

We have non-traditional donors, like India, they channel their aid through their diplomatic agencies. The difference is that these donations are very demand driven. We have to propose a project and then they are allocating funds to those projects. Traditional donors have their own strategies and choose programs of their own, where they have to spend their resources.... One of the main reason for their [non-traditional donors] effectiveness is that their programs are demand driven.

4.2.2. The problem of trust

Afghanistan's high ranking in the global corruption index makes it difficult for the donors to trust the government systems. The existing reputation is further damaged by political accusations between rival political factions. Every democratic government is full of politics, especially sectors like education which deal with millions of students and thousands of teachers.

A MoE official explains political significance of the role of the Minister of Education as:

every home in Afghanistan is connected with MoE. This gives the minister political leverage to become famous whereas rival politicians want to destroy the image of the minister. Every new minister has tried to defame the previous minister and accused the previous administration.

In contexts like Afghanistan, donors take every single accusation and report very seriously and do not understand the politics behind these accusations. The previous minister has accused his predecessor of corruption and false educational statistics. The donors considered this statement and initiated a large scale assessment of the education sector and threatened to stop all their education programs if fabrication of data is confirmed. A MoE interviewee described the situation as:

because of his [the minister's] political ambitions, he reported existence of ghost schools and ghost teachers, although the local donor offices were assured that there are no ghost schools but their head offices were concerned about their assistance for education because they assumed they had supported ghost teachers and ghost schools. For this reason, the USAID conducted a comprehensive assessment of education activities, but they didn't find any ghost school or teacher. The UNICEF conducted a huge assessment of all MoE resources, employees, teachers, schools and students and found no evidence. From the UNICEF's report, the President of Afghanistan randomly selected 1000 schools for a re-evaluation and assigned the Ministry of Rural Rehabilitation and Development for this assessment. Their findings only found a minimal difference of less than 1 percent, because of absence or transfer of students between the different times of evaluation. No assessment has found any ghost school or teacher.

There is another group who undermine the government's accountability reputation because of their own benefit or competition. To control the development resources, some private organizations defame the government procedures so that the donors would contract them for development projects. Or when they fail to receive government contracts, they seek to create problems for their competitors who have won the government contracts, by accusing the procedures or the institutions. A MoE official considers this a big challenge and explains it:

We deal with the most powerful and competent people of the world, and it's very difficult for us to fight all those politics. The stakes are very high: every development project is a multi-million project, so we are very vulnerable to be blamed for corruption and weak capacity.

These private organizations have access to reputable media outlets and reporters to publish against the government and their competitors. Without any distinction to understand the

reason behind these reports and accusations, the donors are worried about published reports and articles about alleged corruption. A MoE interviewee talked about an example of a report that affected a project:

In a DANIDA funded textbook project, a company was not selected. Subsequently, that company's staff reported corruption in the procurement process to a news agency. Because of that article, DANIDA conducted a very comprehensive assessment of MoE and the processes but found nothing. Because of that article, DANIDA's support was stopped till the release of the assessment report and millions of printed textbooks remained undistributed in the MoE warehouses [note: this was not the case study project].

When it comes to developing countries, donors consider the individual mistakes and accusations as systemic and institutional failures. They do not rely on the systems and standard procedures of the recipient government. The major educational donors were all involved in the development of the Educational Management Information System (EMIS) and the data collection process. When a politician accused the system without any evidence, all of the donors questioned the accountability of the EMIS and conducted a comprehensive countrywide assessment of the EMIS data. The systems in developing countries may be different and manual in most of the cases but the donors need to understand the systems and rely on the systems, not the individual reports or political accusations. A senior MoE claims that:

The Ministry's systems are not perfect, it needs a lot of improvements, but when it comes to the financial accountability or the dollar value of the resources spent, MoE is more careful for the dollar value than any other mechanism that operates outside the sphere of the MoE's systems.... In 2011, we had active contracts with a textbook supplier who was providing us textbooks at a unit cost of USD 0.62. The US forces in Afghanistan wanted to print textbooks for MoE. We recommended them to negotiate with this contractor, who was providing us textbooks of good quality and low price. They told us that the ministry of education procurement is not reliable and that they would do their own procurement. And they contracted textbook printing for USD 1.2 per textbook with the same quality: almost double the cost of the ministry of education's contractor.

The donors do not fully cooperate with the partner country because of the established beliefs about the government systems and institution. A MoE official said, "there is very little

interest in the donor community to talk to the ministry of education because they [donors] think they are better alone rather than to engage the ministry in their interventions.” Because of this problem of trust, some donors are not sharing information about their development aid and programs with the recipient government. The MoF developed an information system to track and coordinate development aid, but the donors were not cooperative, as an interviewee details:

data sharing is their [donors] commitment We developed forms for data sharing, they [donors] refused to provide us with their aid information and said it is too complicated. Then we asked them to share data on any format that is easy to them, but they still said it’s difficult for them to provide all the data. Then we developed an online system and provided them the user names and passwords, so they can access this system and upload their data anywhere possible for them, at their local offices or at their headquarters. They never provided information on aid and development programs.

Absence of development data undermines government’s ability to do long-term planning and effectively coordinate and manage development interventions. Lack of trust on the government systems and institutions has been a reason for donor agencies to be inflexible and impose strict accountability and reporting mechanisms. A MoE interviewee explained his experience of working with a donor as:

According to our working mechanism with donors, we need to have their approvals in various steps. When we send anything for approval, it takes them a lot of time to provide their concurrence because they want to protect themselves and be on a safe side. ... We work on something and then send it to donors. After a month they send the document back to us with their comments and ask us to send back the revised version for their review. I think it will take time till our systems give donors confidence that our systems are reliable.

So, lack of trust in the government systems and institutions has created many challenges for the recipient government and leads to ineffective aid. Lack of trust created unnecessary procedures, overburdened the government capacity and delays project implementation.

4.2.3. Different views on Development Approaches: Other Examples

The donors and the Afghan governments have different perspectives on development. The first difference is the cost of development programs. For the government, financial efficiency of the programs is important while the donors have other priorities than the financial cost of the programs. The donors outsource most of their activities to international organizations that can fulfill their accountability and reporting requirements. This increases the execution cost of development programs. For example, comparing the implementation costs of the Community Based Education (CBE), a MoE interviewee said: “MoE’s per student, per year cost is around 68 USD, while the cost of the implementing partners contracted by donors are between 300 to 600 USD per student, per year”. Costing of activities has been a major challenge for effective coordination and reaching agreements on development programs. Disagreement between donors and the government on cost of the CBE activities has significantly delayed development of a new CBE policy, as a MoE interviewee said;

For the new CBE policy, we have suggested that all non-program costs [admin and overhead] should not exceed 30 percent of the total project budget. But for the last three years, we cannot reach an agreement with our donors on the costing of the CBE programs. ...Now they [donors] are saying that let’s agree on the policy and we will discuss the costing sometime later.

A donor agency interviewee confirmed this issue and said that “the government was focusing on the direct program cost, not on the administrative or security costs but for the donors; the important components [for the Government] were mentorship and reporting.”

Another difference is the development priorities. The government is responsible for all its citizens and wants to maximize the services as much as possible while the donors’ main concern is their accountability and reporting to their headquarters and tax payers. The MoE is yet to provide basic education services, build schools, recruit more teachers, print more textbooks, train

teachers and improve administrative capacity and systems. But the donors are looking for more creative, innovative and research-based programs. In this research, the donor agency interviewees repeatedly said that MoE is not able to propose and provide concepts of new programs, while MoE interviewees said that we need resources for the basic needs and have to prioritize the development programs.

As an example of the different of development priorities, both sides had very different opinions about a recently designed program, the Afghan Children Read Program. A donor agency interviewee was very satisfied about this program and stated that this early grade reading program is an innovative and needed program for improvement of the reading skills of the Afghan children and said that “the students were going to schools, but they were not learning, and the government has not proposed any program [to solve] this problem”. A senior MoE official acknowledged that “reading skills of the early grade students are lower, but we have millions of out of school students, we need to provide education for them.” He considered this program an unnecessary investment and explained the situation:

We have an early grade reading project at the cost of 63-65 million USD. At the end of the day, they will be delivering us 12 textbooks for primary grades to strengthen our early grade reading. There will be some teacher training and field test of the textbooks in this project. If you go to the costing and see the scarcity of available resources, you will be shocked by this kind of interventions. At one side 65 million USD is spent on development of only 12 textbooks while on the other side the ministry of education wants to revise all the textbooks from grade one to grade twelve. We need an estimated five million USD for this program but we could not find the five million USD to revise all our textbooks.

He further said that most of the time the MoE doesn't have resources for core services and the urgent needs of education but the donors are investing on supplementary services at very high costs. He provided another example of working with donors on inclusion of Go Green contents in the school curriculum:

Going greening is a good idea, and we want to incorporate it in the curriculum, but there are some partners who wanted specific sentences to be incorporated to the [school] curriculum, we cannot accept every thing they [donors] want, we should accept what is possible and is logical. So if we do not accept all their requirements, then they say, “Ok, we will develop something additional.” So our main content is remaining unimproved and unavailable, but the supplementary additional content that donors want are available all over the country.

Responsibility and accountability for the development programs are other issues.

According to a MoF official, in the last one and a half decade, more than 120 billion USD has been spent for development. Less than 30 billion USD of the development funds are channeled through the government, and he believes that the donors do not accept their responsibility for all their investments and said:

If we see donors’ accountability for the 90 billion USD, how much accountable they are and what was the result of this investment. The SIGAR (Special Inspector General for Afghanistan Reconstruction) reports claims that USAID was not accountable to their development investments. But the Afghan government claims that they are accountable for every single dollar, though most of on-budget is channeled through trust funds. The Afghan government has AFMIS (Afghanistan Financial Management Information System), which record every single dollar, where and how it was spent. There are a lot of indicators that Afghan government could be accountable for the aid resources spent through the government systems. But donors are not able to prove its accountability for its investment.

Accountability for the effectiveness of aid remains a major challenge in Afghanistan. The donors and their implementing agencies have the capacity and reputation to report their investments more effectively on the papers, but a government official doubted their reports and said, “on the donors’ papers everything is looking very good. There are very good reports on development, but go outside and see the result, you won’t find what is in the reports.” He further described the ineffectiveness of the donors’ monitoring system: “the donors are not able to monitor the project sites, they only rely on reports and pictures. When the project is completed, they inform the government for handover. When the government officials went there, there was no project on the site”. Since the donors are not able to monitor the project site and just rely on

reports and pictures, it also increases the chances of corruption and misuse of resources as a government official explained a case where two donors were funding the same project:

In a power transmission line, the USAID and the Asian development bank both financed the same project, without knowing that the other is also financing the same project, USAID wasted 150 million USD for the project that was already paid by the Asian Development Bank.

The challenge for establishment of a comprehensive and inclusive monitoring system in Afghanistan is the donor's insistence on using their own systems and operating procedures and lack of trust on government's institutions and systems. The donors "blame the government for ineffectiveness, the systems would be improved if the donors also accept their [own] role in the aid failures", a government interviewee said. Currently, the donors refuse to consider they have problems in their systems, and the aid would become more effective and the practices would improve if the donors acknowledge their weaknesses and cooperate with the recipient government for aid effectiveness.

4.2.4. Uncommitted to the commitments

The larger donors have consistently imposed their own systems and have not adapted their practices according to the host country systems. The constant insistence of donors for using their own systems has now been institutionalized. Both the donors and the government employees think that donors cannot change their practices. A USAID employee said that "USAID is a US government agency and it has to follow the laws and regulations developed by its government" and a senior Afghan official also had a similar opinion about the donors:

The donors cannot change their systems for one country. Their systems and processes are similar across the globe. For example, the World Bank is working in 168 countries and

applying the same system [administrative processes] in all countries, so they cannot be flexible or adapt their systems according to the needs of one country.

The donors don't seem to be committed to their international commitments for aid effectiveness and to consider the recommended principles in their practices. A MoF official told me that he approached donors for implementation of their aid effectiveness commitments, and the donor's reply to him was, "these are political commitment, we cannot implement it on the ground." The interviewee said that the donors accept their commitments but the problem is that they don't implement those commitments, as he explained the situation:

When the government leaders ask donors for implementation of the international commitments, donors assure them of the follow-up but when we at the technical level wanted to follow up, then they provide different reasons for not implementing their commitments and saying it's difficult and not applicable.

If the donors want, the aid effectiveness principles could be implemented. In some occasions progress has been made, when the donors wanted to show progress but it was not sustained because the donors were not committed for its implementation. The commitments remained on political level, not on operational level. A government official talked about the reluctance of the donors to implement the aid effectiveness principles:

We [donors and the government collectively] did mapping for the division of labor. Lead donors and support donors were assigned for all the sectors. Everything happened very smoothly because Afghanistan was hosting a high-level conference on Afghanistan in 2010. Secretary Clinton and other senior-level representatives from around the world were participating in this conference. The donors wanted to show some progress on their international commitments for aid effectiveness in this meeting. After the meeting, they were not following these agreements and arrangements. They wanted to succeed the meeting not the development [implementation]. This whole drama was to satisfy the heads of states and the foreign ministers who were coming to Afghanistan. No follow up meeting has happened since then. For example, Germany was designated the lead donor in the energy sector and they have never convened a meeting to invite other donors and stakeholders for coordination, share progress or plan for future.

Having the financial resources give power to the donors and the Afghan government's need for these resources weakens their position in negotiations. In Afghanistan, apart from the

development activities the government's recurrent operations are also dependent on aid. The donors have recourses and capacity; they can design and implement programs independently. The government in current circumstances is not in a position to properly lead and coordinate all development interventions. The Afghan government would need a neutral third party support to assist them and hold the donors accountable to their commitments on aid effectiveness. The only organization who could take this role is the United Nations (UN). In Afghanistan, the UN has not remained neutral, now they act as an implementing agency and implementing partner of the donors, as a government official said:

UN should support the host government technically and politically. They should be at the government's side against the donors, but here the role is opposite. In Afghanistan, the UN is a contractor of the donors. They receive aid, implement projects and take their administrative charges. Their policies and positions are biased: UN agencies in Afghanistan are not neutral. They develop their policies in consultation with donors at the donor embassies.

In the context of Afghanistan, the donors are not interested in implementing the aid effectiveness principles and the government is highly dependents on aid and unable to take a strong position against the donor practices. Many interviewees emphasized that the UN agencies should take a more neutral role and should dis-attach itself from receiving aid from local donor missions to keep its neutrality and being able to effectively communicate and coordinate between the host government and its donors.

5. Discussion and Conclusion

My intention for this research was to understand the extent to which the donors implement their international commitments for aid effectiveness and recommend principles for division of labor in Afghanistan. And to know the reasons, if the commitments and principles are not yet implemented or considered in the aid practices.

In analyzing the textbook provision case study, I observed that none of the aid effectiveness commitments or the division of labor principles were considered by the donors. Then, I analyzed the interview data to understand the major challenges to implementing these commitments. My analyses show that donors have their own international development priorities and obligations and want to execute the development programs on their own way. Donors' priorities and strategies are mostly in conflict with the recipient country's priorities and systems. Furthermore, the systems and procedures in most of the development countries are manual and different, which does not match with the donor's online systems and procedures. The difference of systems and priorities make the donors work independently and implement their programs through their own contractors, instead of engaging the recipient government in the development programs and use the Government systems for implementation. Donors' lack of trust in the recipient governments and their opposing the priorities of the government make the aid and development programs ineffective. In this final chapter, based on the findings of this research, I will present my recommendation for moving towards aid effectiveness in contexts like Afghanistan.

5.1. Political Pressure on Donors

As discussed in chapter 4, donors' missions at the recipient countries are understaffed and not authorized to be flexible or to adjust to local conditions or priorities. Major decisions on aid are taken at the capitals of the donor countries, not at their offices in the recipient countries. The donor missions at the recipient countries only follow and implement the programs and strategies developed in their capitals. So, it is necessary for the developing countries' political leadership to actively participate in the development programs and coordinate their needs and priorities with the donors' capitals and follow up on agreements made at the political level. The technical level staff of the recipient government are not able to hold the donors accountable for their commitments but the high-level officials have the authority and influence, as an interviewee talked about his experience of following up the agreements on aid effectiveness, "when the political leaders ask for implementation of the international commitments, donors assure them of its consideration but when we at the technical level wanted to follow up on the agreements, donors were providing different excuses for not implementing their commitments". The political leaders are more effective than the technical staff on communication and working with the donors. Three-quarters of the aid were spent off-budget (World Bank, 2010), but because of President Karzai's insistence, the donors agreed at The London Conference on Afghanistan (January 28, 2010) to channel at least 50 percent of the aid through the Afghan government systems.

Donors' local missions are under strict regulations and reporting expectations from their own national institutions and parliaments, which makes them inflexible. Significant time and resources are spent on meeting these reporting and accountability measures. The recipient country leaders should advocate for the empowerment and delegating decision making authority

to the donors' local representations to be able to work for aid effectiveness at the recipient country level.

Strong political leadership is essential for effectiveness of aid. The political leaders can effectively coordinate issues with the donor countries and have more authority to take bold and instant decisions on the issues. Solheim (2016) compares the post-Tsunami development case of Sri Lanka and Indonesia, to show how strong political leadership and ownership could affect the development programs:

Immediate results were demanded to provide photo opportunities for the stream of presidents and ministers coming to evaluate recovery from the human and economic disaster. The result was arguably that aid provided then contributed little to long-term development in Sri Lanka. International assistance even damaged the fragile peace process as aid became just another resource to compete over. ...Aceh in Indonesia was even harder struck by the same Tsunami. ...The Indonesian government took full control of the situation. Every country and organization was welcome to contribute but firmly told exactly what the Indonesian government expected them to do. Those countries and organizations running around and doing their own thing were told to get in line or leave. The rebuilding of Aceh has been a huge success and even led to peace and the end of three decades of bloody conflict. Aceh is a textbook example of how disaster recovery and development assistance should be provided: a fast and generous response from the international community, aligned behind the firm leadership and priorities of the national government (Solheim, 2016, p.313).

5.2. Pooling Mechanism

As explained in the previous chapter, the donors stick to their procedures and priorities while the government is weak politically and technically to influence donors according to their needs. So, it would be unrealistic to expect that the recipient government would provide the necessary leadership and the level of capacity that would meet donors' requirements instantly and neither could donors swiftly change their approaches to aid provision and trust the government institutions. So, a realistic transitional alternative should be proposed until the

challenges at both sides are eliminated, and the environment is prepared for a government-led development using government institutions.

To reduce transaction costs of development and improve aid effectiveness, I recommend pooling of development funds as a transitional middle-ground alternative, which could encompass the recommended division of labor principles. In the pooling mechanism, supervision and implementation of aid activities are carried out by one agency instead of numerous donors (Pietschmann, 2016b). Although the government of Afghanistan does not consider the pooling mechanism as the most effective aid mechanism, it does consider it more effective than off-budget programs. The pooling mechanism could reduce many problems in contexts like Afghanistan, where pooled funds already exist and are managed by organizations like the World Bank or the Asian Development Bank. The trust fund mechanism is a practical solution because its systems are trusted by the donors and they work with close coordination of the government and reduce fragmentation. As noted by an interviewee, “most of the donors contribute to ARTF. The two main factors are capacity and accountability. The ARTF is a reliable entity because their administrative and reporting systems are using the standards of the donors”.

Currently, more than 50 donor countries are involved in Afghanistan, and each supports different development programs. It’s difficult for the Afghan government to coordinate with all these donors. An interviewee said that “some ministries are dealing with 30 donors at a time. Providing reports and communication with 30 donors is a difficult job: how much time you give to each donor”. The pool fund mechanisms will integrate different donor programs into a few larger programs. As noted by an interviewee, “it [pool funds] merges fragmented programs and interventions through larger national programs ... the government will be dealing with only the pool fund managing entity not with different individual donors”.

The trust fund mechanism could integrate the fragmented interventions under one portfolio and it will reduce the government reporting and accountability burden because the government will communicate and report only to the trust fund managing institution, and not to individual bilateral donors. A senior government official believes that the pooled funds would improve development coordination, and said that, “the current coordination meetings are only the coordination of talks, they don’t affect the practices” and further said that, “donor coordination is improved when the aid resources are coordinated, ... If you want practical donor coordination, that is only possible if they all pool their money in one fund”.

The donors have different preferences, based on their global commitments and priorities. In a pooled fund mechanism several donors are involved, reducing the possibility for a single donor to influence and manipulate the development program, in the way they can in bilateral aid (Pietschmann, 2016b). The trust funds mechanisms could have broad portfolios that cover most of the donors’ priorities and interests. A government official said:

the World Bank’s [trust fund] portfolio covers every sector. The World Bank has projects for education, health, infrastructure, electricity, water distribution, women empowerment and other sectors. Through the trust funds we can diversify the portfolio. A donor is providing resources and also have a priority. We [the government] can also propose our priorities and programs and coordinate through these mechanisms.

Another challenge of the bilateral aid is the unpredictability and unbalanced approach to development. The pooling mechanism reduces the gaps in coverage by centralizing the resources and efficiently allocating resources across sectors (Pietschmann, 2016b). The pooled fund mechanisms are more reliable because the financing responsibility is distributed among different donors. Withdrawal or reduction of the aid level of one donor would not excessively affect the overall development programs in the country or a sector.

5.3. Conclusion

As discussed in the literature review, consensus exists among development stakeholders that aid is fragmented and the fragmentation causes aid ineffectiveness. Acknowledging aid ineffectiveness and fragmentation, the donors and the recipient countries have constantly met in a series of international forums on aid effectiveness. Donors and the recipient countries have committed to several principles for aid effectiveness, but the commitments remain on paper. As shown in the textbook provision case study, the donors' field practices remain fragmented and unchanged. I hope that future researchers and forums on aid effectiveness will focus on finding ways to foster the implementation of the agreed commitments and to hold the development stakeholders accountable for implementing the aid effectiveness commitments and principles.

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