BEST PRACTICES FOR PROTECTING FUTURE ASSISTANCE

SIGAR’s oversight mission, as defined by the legislation, is to provide for the independent and objective

- conduct and supervision of audits and investigations relating to the programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan.
- leadership and coordination of, and recommendations on, policies designed to promote economy, efficiency, and effectiveness in the administration of the programs and operations, and to prevent and detect waste, fraud, and abuse in such programs and operations.
- means of keeping the Secretary of State and the Secretary of Defense fully and currently informed about problems and deficiencies relating to the administration of such programs and operation and the necessity for and progress on corrective action.

Afghanistan reconstruction includes any major contract, grant, agreement, or other funding mechanism entered into by any department or agency of the U.S. government that involves the use of amounts appropriated or otherwise made available for the reconstruction of Afghanistan.

As required by the National Defense Authorization Act for FY 2018 (Pub. L. No. 115-91), this quarterly report has been prepared in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.


(For a list of the Congressionally mandated contents of this report, see Appendix A.)

Cover photo:
A man distributes bread outside a Kabul bakery. (AFP photo)
To Congress, the Secretaries of State and Defense, and the American people, I am pleased to submit this essay on the best practices for protecting future assistance to Afghanistan.

Despite the withdrawal last year of U.S. personnel from Afghanistan, the United States remains that country's single largest humanitarian aid donor. In response to the economic crisis and widespread hunger currently facing Afghanistan, on January 11, the United States announced a new contribution of $308 million in humanitarian assistance, bringing the total U.S. humanitarian contribution to Afghanistan and for Afghan refugees to $782 million since FY 2021. The White House said the new aid will "directly flow through independent humanitarian organizations and help provide lifesaving protection and shelter, essential health care, winterization assistance, emergency food aid, water, sanitation, and hygiene services."

Meanwhile, the United Nations has called for more than $8 billion in assistance to Afghanistan as part of its Transitional Engagement Framework. In addition to humanitarian assistance, the UN plan calls for $3.6 billion in immediate funding to sustain social services such as health care and education; support community systems through maintenance of basic infrastructure; maintain critical capacities for service delivery, promote livelihoods and social cohesion; and effectively identify and respond to the protection needs of women and girls.

All of this new assistance arrives in an altered landscape where the Taliban, rather than a partner Afghan government, control the institutions of state. This raises a significant oversight challenge and greatly increases the risk that aid to Afghanistan will be diverted before it reaches the people who need it most. In late January, the United States and other international donors met with the Taliban in Oslo to discuss human rights concerns and responses to the humanitarian crisis.

As an independent statutory Inspector General, SIGAR takes no position on whether there should be increased humanitarian or other assistance to Afghanistan. Nor is it SIGAR's role as an independent oversight agency to design Afghanistan reconstruction programs, whether they are to be conducted by U.S. agencies or funded through contributions to international organizations or non-governmental organizations (NGOs). Those are policy matters for the Executive Branch and Congress. But per its mandate, SIGAR is required to make recommendations on policies promoting economy, efficiency, and effectiveness in the administration of agency programs and operations.

Accordingly, SIGAR has developed 10 best practices for donors and implementing agencies—based on its years of research and findings from over 700 oversight reports—that can help the United States accomplish the goals of protecting
taxpayer funds while easing the desperate plight of the Afghan people. Those best practices, boiled down to their essentials, are:

1. Establish a clear purpose for the aid.
2. Insist that any organization receiving U.S. funding is fully transparent, so we know where our money went and how it was used.
3. Set a tolerable level of risk, and be ready to end an activity if that risk becomes too great.
4. Keep track of how money is used and regularly reassess to see if activities are actually helping people.
5. Determine clear, relevant metrics that measure actual outcomes, not just how many dollars were spent or how many people participated in some program.
6. If an activity is going poorly, make course corrections and be prepared to pull the plug.
7. Third-party monitors are necessary, but the U.S. government should be diligent in evaluating them and their standards.
8. Adapt to the evolving situation on the ground, where one size does not fit all situations.
9. Seek smart opportunities to condition aid.
10. Look for activities that Afghans can eventually sustain without outside support.

A discussion of each best practice appears in the following essay, which was also published in SIGAR's January 2022 quarterly report.

Despite the changes in Afghanistan, SIGAR continues to work to protect the interests of the U.S. taxpayer, to apply the lessons from 20 years of reconstruction, and to maximize the impact of aid intended for the suffering Afghan people.

Yours sincerely,

John F. Sopko
ESSAY CONTENTS

Afghanistan Still Receives U.S. and Other Aid 2
Aid Restrictions are Easing, Funding Increasing 4
Donors Face Substantial and Evolving Risks 5
Best Practices for Effective Assistance 7
Conclusion 14
Essay Endnotes 15

Photo on previous page
A man distributes bread outside a Kabul bakery. (AFP photo)
Winning is not the same as governing—a bitter lesson the Taliban have been learning every day since their takeover of Kabul in August 2021 and the collapse of the U.S.-supported government. Since then, the Afghan economy has cratered. According to the UN World Food Programme, by the end of November, 98% of Afghans did not have enough to eat; this winter alone, one million children are at risk of starvation; access to health services had significantly worsened.\(^1\)

In the face of this humanitarian crisis, the international community is looking for ways to render aid. The difficulty is figuring out how to do so without enabling a repressive regime.

The United States no longer has an official diplomatic mission in Kabul, or a military or federal civilian presence on the ground in Afghanistan. This raises a significant oversight challenge and greatly increases the risk that humanitarian assistance to Afghanistan will be diverted before it reaches the people who need it most. However, there are steps that can be taken to reduce this risk, whether funds travel directly from the U.S. government or indirectly through international and nongovernmental organizations (NGOs).

As an independent statutory Inspector General, SIGAR takes no position on whether there should be increased humanitarian or other assistance to Afghanistan. Nor as an independent oversight agency is it SIGAR's role to design Afghanistan reconstruction programs. Those are all policy matters for the Executive Branch and the Congress. But per its statutory mandate, SIGAR is required to make recommendations on policies promoting economy, efficiency, and effectiveness in the administration of agency programs and operations.\(^2\)

Accordingly, SIGAR has developed the following best practices for donors and implementing agencies—based on its 13 years of research and findings from over 700 oversight reports—that can help the United States accomplish the goals of protecting taxpayer funds while easing the
BEST PRACTICES

desperate plight of the Afghan people. Those best practices, boiled down to their essentials, are:

1. Establish a clear purpose for the aid.
2. Insist that any organization receiving U.S. funding is fully transparent, so we know where our money went and how it was used.
3. Set a tolerable level of risk, and be ready to end an activity if that risk becomes too great.
4. Keep track of how money is used and regularly reassess to see if activities are actually helping people.
5. Determine clear, relevant metrics that measure actual outcomes, not just how many dollars were spent or how many people participated in some program.
6. If an activity is going poorly, make course corrections and be prepared to pull the plug.
7. Third-party monitors are necessary, but the U.S. government should be diligent in evaluating them and their standards.
8. Adapt to the evolving situation on the ground, where one size does not fit all.
9. Seek smart opportunities to condition aid.
10. Look for activities that the Afghans can eventually sustain without outside support.

A discussion of each practice appears later in this essay.

AFGHANISTAN STILL RECEIVES U.S. AND OTHER AID

The United States and the international community have not ignored Afghanistan’s dire straits. Aid continues to flow—albeit at reduced levels—from the United States and other donors. As of January 2022, the United States, the single largest donor, was providing $782 million in humanitarian aid in Afghanistan and for Afghan refugees in the region. Funds will flow from USAID through independent humanitarian organizations to “help provide lifesaving protection and shelter, essential health care, winterization assistance, emergency food aid, water, sanitation, and hygiene services.”

In January 2022, the UN announced two appeals for Afghan aid totaling more than $8 billion, together constituting a “Transitional Engagement Framework for Afghanistan” (see call-out box on p. 5). The first appeal was the largest for a single country in UN history: more than $5 billion to assist 22 million people in Afghanistan and 5.7 million Afghans in five neighboring countries “in the hope of shoring up collapsing basic services” in the region. According to a UN official, $4.4 billion in-country aid would pay nurses and health officials in the field. Another $623 million would be directed to 40 organizations with established records of humanitarian
assistance in neighboring countries for “protection, health and nutrition, food security, shelter and nonfood items, water and sanitation, livelihoods and resilience, education, and logistics and telecoms.”

On January 26, the UN announced an additional appeal for $3.42 billion for sustaining “basic human needs” and “preserving livelihoods and providing social protection, beyond humanitarian assistance,” and $208 million for activities to “preserve social investments and community-level systems.” Combined, the two January appeals call for more than $8 billion in humanitarian and other aid for Afghanistan.

The United States had previously announced augmentation of its own aid to Afghanistan. Secretary of State Antony J. Blinken said in October 2021 that U.S. aid would flow to humanitarian organizations such as the United Nations High Commissioner for Refugees (UNHCR), United Nations Children’s Fund (UNICEF), International Organization for Migration (IOM), the World Health Organization (WHO), and other international and non-governmental organizations “following extensive vetting and monitoring.”

“To be clear,” he added, “this humanitarian assistance will benefit the people of Afghanistan and not the Taliban.”

That last point is important, for the United States has imposed a variety of sanctions on the Taliban and on dealings with them since the 1990s. U.S. sanctions have frozen assets belonging to the Taliban, including Afghan government bank reserves held in the United States and claimed by the Taliban.

The UN’s plan for an $8 billion engagement with Afghanistan

On January 26, 2022, the UN announced its Transitional Engagement Framework for Afghanistan (TEF). The TEF explanatory document begins by warning that Afghanistan “is facing an unprecedented humanitarian crisis with very real risk of systemic collapse and human catastrophe” that also “threatens to cancel many of the development gains of the last twenty years.” The new framework follows recent talks in Oslo, Norway between high-level Taliban representatives and Western diplomats on the humanitarian crisis and human rights.

The TEF lays out “principles of engagement with the de facto authorities” (the Taliban) in delivering the anticipated $8 billion-plus of assistance for humanitarian, social, and development objectives in Afghanistan. The principles include adherence to human-rights standards, neutrality, independence, gender equality, and avoiding or minimizing potential harm.

The UN’s Special Representative of the UN Secretary General, who heads the United Nations Assistance Mission in Afghanistan (UNAMA), will lead “political engagement with the de facto authorities in Afghanistan.” Operations rely on a Security Council resolution that calls upon “all Afghan and international parties to coordinate with UNAMA in the implementation of its mandate and to ensure the safety, security and freedom of movement of UN and associated personnel throughout the country.”

The TEF also emphasizes that “In the volatile circumstances of crisis, the political, security and operational risks of delivering assistance in Afghanistan will remain substantial” and will require “continuous risk assessment, monitoring and continuous risk-mitigation efforts.” In addition, a monitoring framework will be developed so that officials can review results on a quarterly basis. The UN’s assessment and monitoring will, among other things, “help pave the way for when the political conditions exist for its work to be scaled up.” The TEF notes that “Given the volatile environment, the TEF itself may need to be adapted or adjusted as conditions in the country evolve.”

Taliban, and imposed civil and possible criminal liability on any U.S. person who engages in transactions with them. Likewise, non-U.S. entities and foreign financial institutions that knowingly conduct or facilitate transactions with the Taliban may face U.S. sanctions.\(^{11}\)

But the Taliban’s 2021 victory raises a new question. How do the United States and international community sanction the Taliban—whose government the international community does not recognize and which has committed human-rights abuses and harbored terrorist organizations—without hurting the people whom the Taliban now rule? Signs of pressure to ease sanctions and broaden the scope of aid are emerging from Congress and elsewhere.

On December 15, 2021, members of Congress sent a bipartisan letter to Secretary of State Blinken and Treasury Secretary Janet Yellen, calling for “the release of [frozen] humanitarian aid directly to the people of Afghanistan to help prevent a catastrophic collapse of their economy.” Specifically, the letter called for releasing aid to pay for Afghan teachers’ salaries and children’s meals, so long as girls were allowed to attend schools, and for the Biden administration to “assist multilateral organizations attempting to pay Afghan civil servants.”\(^{12}\) On December 16, 2021, members of Congress wrote to Secretary of State Blinken and Treasury Secretary Yellen about Treasury rules—known as “carve-outs”—that allow education NGOs to operate in sanctioned countries like Yemen and Ethiopia. They urged similar treatment for education-focused NGOs to operate in Afghanistan.\(^{13}\) Finally, a December 2021 essay for the Atlantic Council by eight U.S. ambassadors and three four-star generals urged a broader view of Afghanistan’s needs for assistance, noting that “more help is needed to stave off disaster.”\(^{14}\)

In a December 2021 article for The Hill, the president of the International Committee of the Red Cross and the coordinator for UN emergency relief argued that the crisis in Afghanistan required restoring aid that would pay the salaries for public-sector workers and support for public services to help prevent state destabilization. “Let’s not pretend for a minute that state services can be effectively maintained or replaced by humanitarian programs,” the article said.\(^{15}\)

**AID RESTRICTIONS ARE EASING, FUNDING INCREASING**

These widespread expressions of urgent concern seem to be working: international donors are showing a willingness to adjust their rules and loosen their purses.

The State Department worked with the World Bank this quarter on releasing aid from the Afghanistan Reconstruction Trust Fund (ARTF), which was used to pay the salaries of civil servants under the previous government. The ARTF’s disbursements were frozen in August, but on
December 11, 2021, the World Bank announced that donors had agreed to transfer $100 million from the ARTF to UNICEF, and $180 million to the UN World Food Programme to provide aid directly to Afghans in need.\textsuperscript{16}

In addition, on December 22, 2021, the Treasury Department’s Office of Foreign Assets Control issued three new “general licenses” relaxing sanctions in order to facilitate humanitarian aid to Afghanistan. The licenses now permit financial transactions involving the Taliban and members of the designated-terrorist Haqqani network—\textit{if} the transactions are on behalf of the U.S. government, certain international organizations, or for NGOs working on humanitarian projects.\textsuperscript{17}

On that same day, the UN Security Council adopted a resolution authorizing a one-year exception to the UN sanctions regime in Afghanistan for “humanitarian assistance and other activities that support basic human needs in Afghanistan,” while reaffirming past UN resolutions that imposed antiterrorism sanctions on individuals and groups in Afghanistan. The one-year exception “strongly encourages providers … to use reasonable efforts to minimize the accrual of any benefits, whether as a result of direct provision or diversion” to sanctioned persons or entities.\textsuperscript{18}

Other donors have also been providing substantial humanitarian aid to Afghanistan, in addition to reconstruction and developmental assistance. A BBC summary of 2021 humanitarian donations indicates that after the United States, largest international donors range from the European Union ($277 million, with another billion pledged) to Canada ($27 million). Between those extremes lie Germany, the UK, Japan, Denmark, Sweden, France, and the Netherlands.\textsuperscript{19}

DONORS FACE SUBSTANTIAL AND EVOLVING RISKS

Waste, fraud, and abuse were a significant issue even when the United States had an oversight presence in Afghanistan. In reports requested by Congress, SIGAR conservatively estimated nearly 30\% of U.S. appropriations for Afghanistan reconstruction from 2009 to 2019 was lost to waste, fraud, and abuse.\textsuperscript{20}

SIGAR’s work has also found a substantial risk to U.S. taxpayers even when dollars get to their intended destination—\textit{if} U.S.-funded activities fail to do what they are intended to do. A 2021 SIGAR Lessons Learned Program report examined U.S. monitoring and evaluation (M&E) of reconstruction contracts in Afghanistan. The report questioned the assumption that work completed well would lead to good results, noting that “it is possible to do the wrong thing perfectly.” It added: “As implemented, even if M&E systems were able to determine that work was completed well, those systems did not always determine whether good work was actually contributing to achievement of strategic U.S. goals”—for instance, keeping detailed records of the number of participants at job training program without any follow-up.
BEST PRACTICES

on how many of them found jobs, or if there were even jobs to be had in their community. SIGAR’s M&E report, which relied heavily on SIGAR’s significant body of audit work, noted that “too often, DOD, State, and USAID failed to measure programs and projects against the ultimate outcomes and impacts those programs and projects sought to achieve.”

In general, the connection between outputs (for example, the number of job training program participants) and outcomes (how many found employment) is one way to define SIGAR’s work: a significant part of its job is to see if that connection exists, and to point out instances where it is missing.

The connection is not always straightforward or easily visible. Other problems SIGAR has identified arose through lax U.S. agency oversight when U.S. funding traveled through international and nongovernmental organizations, or through what USAID calls “implementing partners” in Afghanistan and other countries. For example, a 2018 SIGAR audit report on the World Bank’s administration of the ARTF—to which the United States was the largest donor—acknowledged the difficulties of operating in Afghanistan, but said “the World Bank continues to employ performance measurement processes that are not transparent and that do not accurately measure ARTF progress and results. The World Bank’s lack of transparency limits donors’ and the public’s knowledge about ARTF progress and results reported.”

Further complicating the assessment of risks and verification of intended outcomes is the nature of the Taliban itself. The Congressional Research Service (CRS) recognized the difficulty of the Taliban—an organization on the U.S. Special Designated Global Terrorist (SDGT) list—now controlling a country. CRS notes that while the United States has the Taliban on its SDGT list for restrictions on assets in the United States, the group is not on the U.S. Foreign Terrorist Organization list that restricts transactions.

This tension between helping Afghans without helping the Taliban has created challenges for international aid organizations. The UNDP’s Adaptive Management and Risk Mitigation Strategy for the UN’s Special Trust Fund for Afghanistan contains a list of “Risk Management Principles” that guide UN trust fund operations in Afghanistan, noting that “it is understood that the residual risk is shared among all stakeholders”—an implicit acknowledgment that risk cannot be entirely eliminated. The principles in UNDP’s strategy document are:

- No support can be provided directly or indirectly to the de facto authorities [that is, the Taliban], whether in Kabul or at local level.
- Support has to be implemented free from involvement of the de facto authorities with regard to (hiring/recruitment) policy, implementation and management. Additionally, the de facto authorities may not influence the selection of beneficiaries, project locations or project partners. This also means that female staff should be able to continue to work.
• No support will be provided to structures that institutionalize discrimination or violate human rights.
• At a minimum, service providers should ensure that services are accessible to girls and women in an equal fashion.

SIGAR believes all donors and aid organizations should adopt similar precautionary standards. There are, however, limits to what such precautions can achieve. A veteran NGO official with long experience in Afghanistan told SIGAR that “a zero-risk policy is not realistic.” The official, who requested anonymity because of the organization’s continuing work in Afghanistan, pointed out that the Taliban do not need to tax or “shake down” NGOs directly: they can impose fees on vendors like commercial landlords, suppliers, and cell-phone companies that can pass the costs along in their prices to the NGOs.26

Paul Fishstein, a fellow at New York University’s Center for International Cooperation and a former manager of NGO operations in Afghanistan, Pakistan, and other venues, recently cautioned that “there are no watertight guarantees that funds and relief goods will all reach their intended targets and will not at least in small part be diverted by Taliban officials or directed to their own preferred uses, or that working agreements will not be abrogated.” On the other hand, Fishstein added, “Other than Daesh [Islamic State-Khorosan] and similar jihadi groups operating in Afghanistan and in Pakistan, no one benefits from a failed state and regional instability.”27

BEST PRACTICES FOR EFFECTIVE ASSISTANCE
As the only U.S. government agency legally tasked with whole-of-government oversight of reconstruction in Afghanistan over the past 13 years—and statutorily required to make recommendations on policies promoting economy, efficiency and effectiveness—SIGAR knows well the risks and challenges the United States and the international donor community now face. Despite the lack of a U.S.-government presence on the ground, prudent and effective oversight can be conducted in the changed landscape of governance in Afghanistan if some best practices of effective management and oversight are observed and closely monitored. These practices are:

Best Practice 1: Establish a clear purpose for the aid
All too often, agencies and international organizations are vague or unrealistic about what they actually intend to achieve with a program. But taking care to ensure that a goal or purpose is clearly stated and that program objectives and activities are aligned with the overall purpose is a key condition for effectiveness. A 2021 SIGAR lessons-learned report noted that “determining what to measure is a function of what programs and projects
aim to accomplish and how they intend to accomplish it. If metrics are unrelated to objectives, they are not useful for assessing effectiveness.”

That same report found that health-care projects, for instance, “can be measured in the number of clinic visits, or changes in maternal mortality rates. Yet, depending on wider strategic goals, these metrics may not be completely relevant. Whether people are going to a clinic to receive health services, for example, is an important data point at the project level, but it may not adequately capture progress towards the broader security or stability outcomes to which health-care programming in unstable environments is intended to contribute.” Having clear purposes and goals helps managers and oversight agencies assess what evidence to seek and whether the links between program design, execution, and outcomes are robust.

The United States should confirm that entities disbursing and managing U.S. funds for assistance to Afghanistan have specified clear and realistic goals that focus on strategic objectives and that facilitate ongoing program evaluation.

Best Practice 2: Insist that any organization receiving U.S. funding is fully transparent, so we know where our money went and how it was used

If the United States decides to channel multi-million- or multi-billion-dollar aid contributions through international organizations, trust funds, NGOs, and other intermediaries, it must insist on complete transparency regarding their use of funds. Without resorting to unduly burdensome reporting requirements, the United States must make it clear that the provision and amount of assistance would depend on access by outside, independent U.S. oversight agencies like SIGAR to books of account, vetting procedures, monitoring and evaluation protocols, and safeguards against corruption and diversion of funds.

The United States is in a good position to insist on transparency. The Council on Foreign Relations noted last summer that the United States—one of 193 members of the United Nations—provides nearly 20% of the UN’s budget. Meanwhile, the Congressional Research Service notes that “As the largest shareholder in both the IMF [International Monetary Fund] (16.5% voting share) and the World Bank (16% voting share), the United States has a role in their decision-making,” a role subject to Congressional direction. For smaller NGOs and other aid intermediaries, the United States might have proportionately stronger leverage for seeking guarantees of transparency.

Best Practice 3: Set a tolerable level of risk and be ready to end an activity if risk becomes too great

The work of SIGAR and other oversight agencies has demonstrated that there will be risks in any assistance programs—poor planning, corruption,
inadequate work plan, deficient monitoring, natural disasters or pandemics, defective data, unintended consequences, and many more. Assumptions about risk must be determined at the outset and continually stress-tested to determine if risk factors have changed and, if so, how those changes impact the ongoing feasibility of an activity.

The United States should confirm that aid partners receiving U.S. support are monitoring the kinds and severity of risks facing their efforts in Afghanistan. Only then can programs be tweaked in time to make a difference—or funding halted if risk passes a predetermined threshold.

Federal policy recognizes that agencies should assess their “risk appetite” and “risk tolerance” to balance financial stewardship, program mission, cost effectiveness of mitigations, efficiency, overall operations, and other factors to determine a “tolerable rate” of risk.32

USAID’s “Risk Appetite Statement,” for example, notes that while the Office of Management and Budget requires federal agencies to incorporate Enterprise Risk Management (ERM) into their internal controls, “ERM is a holistic, agency-wide approach to risk-management that emphasizes addressing the full spectrum of risks and managing their combined impact as an interrelated risk portfolio. … The goal is not to control or avoid all risk, but rather to take advantage of opportunities, while reducing or mitigating threats to maximize the agency’s overall likelihood of achieving its mission and objectives.”33

The USAID statement also stresses the importance of context, such as in “non-permissive environments characterized by uncertainty, instability, inaccessibility, and/or insecurity where the associated risks are higher than other environments. Such environments are also often the places where development and humanitarian assistance are most needed. Therefore, to achieve our objectives, we often accept a higher degree of overall risk.”34

The United States should seek assurance that other entities receiving U.S. funds for use on behalf of Afghanistan have similarly assessed their tolerance for risk, have systems in place to continually reassess risk, and are ready and willing to end an activity if risk become too great.

**Best Practice 4: Keep track of how money is used and regularly reassess to see if activities are actually helping people**

This may sound like simple common sense, but it requires a great deal of effort and vigilance by development agencies—something that SIGAR’s research has shown has been woefully lacking in the past. Monitoring and evaluating is an essential activity to determine whether data are being collected, procedures followed, schedules met, waste avoided, and objectives attained. In addition, the federal Office of Management and Budget instructs U.S. agencies involved in administering foreign assistance to ensure that
“evaluations be ‘evidence-based,’ meaning they should be based on verifiable data and information … including both qualitative and quantitative data.”

But simply having monitoring and evaluating schemes in place and personnel assigned to the job is no assurance that necessary and accurate information is being captured or evaluated. For example, a 2015 SIGAR audit of the multibillion-dollar Law and Order Trust Fund for Afghanistan (LOTFA), administered by the UNDP, found that “UNDP verification efforts—primarily conducted by a contracted monitoring agent charged with providing oversight and verification … are unsound, insufficiently documented, and lack specific contracting guidance.”

SIGAR has also pointed out how lack of resources, inadequate analysis, and unclear data requirements can affect monitoring and evaluation efforts. For example, in a 2021 lessons-learned report, SIGAR noted that “data collection has been a challenge for State. Some bureaus lack the resources to collect needed data, or fear that a negative evaluation based on unflattering data will result in a funding cut. Moreover, it is not always clear what data is relevant, nor is it always obvious what constitutes an appropriate amount.”

In that same report, SIGAR also examined the challenges of effective monitoring of contracts in settings like Afghanistan. SIGAR noted that “triangulating data” was one approach that can work: “State adopted USAID’s multitiered monitoring framework, which is intended to help verify data by collecting it from multiple sources. Information collected through multitiered monitoring is organized into tiers based on how accurate it is believed to be. Within this hierarchy, U.S. government reporting is the most trusted form of monitoring.” USAID explains that the multitiered approach “draws upon direct observation and analyses done by [U.S. government] staff, independent third-party monitors, implementing partners, the [former government of Afghanistan], other donors, civil society organizations, beneficiaries, and other pertinent sources of information.” It adds, “Triangulating data from multiple sources increases confidence that implementation is on track and corroborates the achievement of key performance results.”

SIGAR’s report cautions, however, that factors such as self-interest, training limitations, and reliance on contractor or grantee information can affect the accuracy of monitoring reports. “There is no silver bullet when it comes to data collection and interpretation,” the report says, but “careful data triangulation is a key aspect of ensuring accuracy and precision in performance measurement.”

Best Practice 5: Determine clear, relevant metrics that measure actual outcomes, not just how many dollars were spent or how many people participated in some program

Measuring outputs like money spent, hospitals built, or vaccines delivered is a fairly straightforward counting exercise. What is more difficult
is measuring the actual impact of those outputs. For example, education programming may result in schools built and textbooks purchased (or even delivered), but those activities do not answer the question of whether children are getting an education and how, in turn, that is leading to stability or prosperity in a given region. The fact that an alleged employee was paid does not mean he or she ever existed: the U.S. government has paid for many “ghost” employees invented to pad some senior or mid-level manager’s bank account. The United States must determine whether U.S.-funded aid entities are attempting to measure outcomes rather than inputs, and have selected measures that would be reasonably related to actual results.

“In an environment where reliable data were hard to get,” SIGAR said in a 2021 lessons-learned report, “U.S. agencies tended to focus on overly simplified metrics—such as whether individuals were paid and structures built, rather than the more challenging issue of their impact within the community or the Afghan government’s ability to sustain them. In too many cases, the amount of money spent became the main metric.”41 The United States should seek assurances that implementing partners for assistance to Afghanistan have established project metrics that are clear, quantitatively or qualitatively measurable, and relevant to project execution and intentions.

Moreover, SIGAR has documented that because U.S. reconstruction efforts in Afghanistan often had trouble measuring program outcomes, “There was a pervasive overemphasis on quantitative indicators at the expense of critical qualitative context during both monitoring and evaluation. Precision is often a façade, quantifiability frequently obscures important nuance or qualification, and measurability is not always a good proxy for efficacy.”42

**Best Practice 6: If an activity is going poorly, make course corrections and be prepared to pull the plug**

Much time and effort goes into planning, designing, and executing activities. When indications surface that something is going wrong, there can be a temptation to defend one’s ideas and efforts and explain away bad news. This can lead to a missed opportunity to learn from failure and improve future programming.

The idea of learning from failure is reflected in State’s guidance on program design and management. The analysis of program data, it says, can “enable course correction” and “inform current and future programmatic decisions to modify or eliminate what is not working and reinforce what is working.”43 The intention is admirable, but SIGAR examination of State program evaluations concluded that “some periodic reviews seemed perfunctory.”44

Consistent adherence to a course-correct/modify/abandon principle within the U.S. foreign-aid universe would help prevent programs from surviving despite unacceptable risks, excessive costs, failed outcomes—and
Best Practices

Best Practice 7: Third-party monitors are necessary, but the U.S. government must be diligent in evaluating them and their standards

Aid providers like the UN, the World Bank, and the IMF have used third-party monitors to report on programs in aid-recipient countries. This is not controversial in itself: before the Taliban victory in August 2021, SIGAR used local third-party monitors in Afghanistan because they could travel more freely and safely than U.S. citizens there. Concerns may arise, however, if U.S. oversight officials cannot be reasonably assured of the accuracy and effective use of aid intermediaries’ monitoring reports.

SIGAR’s performance audit of the World Bank’s management of the Afghanistan Reconstruction Trust Fund raised such concerns. In response, the Bank reclassified legal documents related to ARTF projects to allow public availability and started sending detailed monthly monitoring agent’s reports to ARTF stakeholders in December 2017. The United States should seek similar practices by all entities directing U.S. funds to Afghanistan aid efforts.

Best Practice 8: Adapt to the evolving situation on the ground, where one size does not fit all

Facts on the ground in Afghanistan have changed dramatically. The humanitarian assistance proposed by donors must reflect the new reality. As SIGAR has reported, and as recent events concerning the collapse of the Afghan government and military confirm, policies and programs work when they truly reflect the reality on the ground and not a vision of reality propounded or imposed by headquarters offices, whether in Washington or Kabul.

Most U.S. agency programs are suspended, the U.S. government has no in-country presence, and most of the surviving aid effort seems likely to be funneled through international organizations and NGOs. That assistance, in turn, will be designed to avoid the clutches of the Taliban and its regime and be directed to local entities throughout the country. It is necessary, then, to reflect that one size will not fit all contingencies. Moreover, things are apt to change quickly in specific regions or districts. Assistance must reflect this new reality and be flexible and resilient to reach the most Afghans it can in the time available. This may entail assistance being increased, decreased, or even terminated if local Taliban officials divert or misappropriate assistance.
Best Practice 9: Seek smart opportunities to condition aid

The United States should also look for ways to condition aid to help realize our goals for the Afghan people. This will not be easy.

Even when the international community had a partner in the previous government, SIGAR found that donors often attached more conditions to their assistance than the Afghans could comply with. Further, SIGAR has concluded that U.S. attempts at imposing conditionality have, in general, “failed because they lacked credibility. ... When U.S. officials imposed conditions on aid to incentivize reform, Afghan officials essentially called their bluff, knowing the U.S. government ultimately would not withhold critical assistance that Kabul desperately needed to ensure its survival.” That particular calculation has been overtaken by events: there is no longer a recognized Afghan government to prop up. But the lessons about pushing for burdensome and unrealistic conditions, and of imposing conditions that the aid grantor cannot or will not enforce, still deserve attention.

In short, the United States should make strategic, carefully crafted use of conditionality for aid delivered through international organizations and NGOs.

There could also be opportunities to engage the Taliban in some understandings about aid. As an NGO official interviewed by SIGAR in January 2022 said, “They do realize they’re in way over their heads. There’s no question about that.” Worried about COVID-19, malnutrition, mass unemployment, and poverty, the official said, the Taliban may be receptive to discussing mutually beneficial terms for assistance. “They were very aggressive before, but now they’re much more willing to work with you and let you be independent at the same time.”

Best Practice 10: Look for activities that the Afghans can eventually maintain without outside support

Humanitarian aid such as food, water, and medicine is a temporary emergency measure. Reconstruction and development programs, however, are intended to build institutions of government, civil society, and commerce that will continue to function long after the foreign assistance has ended. “However,” a SIGAR lessons-learned review of 20 years of reconstruction found, “the U.S. government often failed to ensure its projects were sustainable over the long term.” Projects that recipients of aid cannot operate, fuel, maintain, and repair waste money and may undermine the credibility and perception of both the granting and the recipient governments.

The United States should attempt to establish that every entity channeling U.S. funds to Afghan assistance has made a good faith, realistic effort to determine whether its long-term programs can be sustained in the future by Afghan ministries or organizations. Otherwise, Afghanistan will just stagger from one humanitarian disaster to another, locking the United States and other donors into an endless cycle of assistance, while inviting the security risks of a failed state.
Conclusion

Given Afghanistan’s dire circumstances and bleak long-term outlook, flows of U.S. aid are likely to continue for the foreseeable future to slow or reverse the effects of the humanitarian crisis already unfolding there. Effective oversight will be essential to ensure that U.S. funding is not wasted and U.S.-funded activities are having a real and positive impact.

As the only U.S. oversight agency statutorily tasked with whole-of-government oversight of reconstruction funding for Afghanistan, SIGAR remains committed, as it has for more than a decade, to protecting U.S. taxpayer dollars from misuse and promoting better outcomes for assistance to Afghanistan. U.S. aid efforts can contribute to that mission by observing some best practices that recognize the difficulties presented by the altered political, social, and economic landscape of Afghanistan. It is the only way to protect the interests of U.S. taxpayers and to maximize the impact of the help directed to the suffering people of Afghanistan.
ENDNOTES

11 State, response to SIGAR data call, 12/15/2021.
15 Peter Maurer and Martin Griffiths, “Afghanistan is on the brink of total collapse—unless the world steps in,” TheHill.com, 12/10/2021. thehill.com/opinion/international/585062-afghanistan-is-on-the-brink-of-total-collapse-unless-the-world-steps-in
17 Treasury, Office of Foreign Assets Control, “Provision of Humanitarian Assistance to Afghanistan and Support for the Afghan People,” 12/22/2021. home.treasury.gov/
20 SIGAR, Update on the Amount of Waste, Fraud, and Abuse Uncovered through SIGAR’s Oversight Work between January 1, 2018 and December 31, 2019, SIGAR 21-05-SP, 10/2020, p. 2.
26 SIGAR, staff interview with veteran NGO official (name withheld), 1/5/2022.
41 SIGAR, What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction, SIGAR 21-46-LL, 8/2021, p. 43.
42 SIGAR, What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction, SIGAR 21-46-LL, 8/2021, p. 87.
47 SIGAR, What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction, SIGAR 21-46-LL, 8/2021, p. 41.
48 SIGAR, staff interview with veteran NGO official (name withheld), 1/5/2022.
49 SIGAR, What We Need to Learn: Lessons from Twenty Years of Afghanistan Reconstruction, SIGAR 21-46-LL, 8/2021, p. 39.
Afghan women sit in front of a Kabul bakery seeking alms, January 2022. (AFP photo by Mohd Rasfan)
WASTE, FRAUD, OR ABUSE MAY BE REPORTED TO SIGAR’S HOTLINE

By phone: United States
Toll-free: 866-329-8893
DSN: 312-664-0378
All voicemail is in English and answered during business hours.

By fax: 703-601-4065
By e-mail: sigar.hotline@mail.mil