

# II Marine Expeditionary Force (Forward) Governance & Economics Conference Report of Proceedings



Sheraton Imperial Hotel  
Durham, NC

November 30 - December 2, 2010



# REPORT OF PROCEEDINGS



## II Marine Expeditionary Force (Forward) Governance and Economics Conference

November 29 – December 2, 2010

Sheraton Imperial Hotel and Conference Center  
Research Triangle Park  
Durham, North Carolina

Prepared By:  
Institute for Defense and Business  
1430 Environ Way  
Chapel Hill, North Carolina, 27517  
(919) 969-8008

## **FORWARD**

This report of proceedings is intended to provide a summary of the presentations and discussions that took place at the II Marine Expeditionary Force (Forward) Governance and Economics Conference. To ensure adherence the Center for Stabilization and Economic Reconstruction's policy of non-attribution the report is organized into major themes, not by schedule or speaker.

This report compiles the major points made by the speakers and panel members as well as comments and discussions stimulated by those presentations. Presentations and discussions summarized in this report reflect the personal viewpoints of the speakers and are not to be interpreted as official positions of any entity, agency, or organization.

Please note that this report of proceedings is not a verbatim transcript of the event, and the contents of this report are not authorized for attribution or citation.

## TABLE OF CONTENTS

FORWARD.....	i
TABLE OF CONTENTS.....	ii
INTRODUCTION.....	iii
TRANSITION.....	1
THE REGIONAL PLATFORM.....	2
ECONOMIC DEVELOPMENT.....	3
FINANCING.....	5
COUNTER-NARCOTICS.....	8
RELATIONSHIPS BETWEEN THE MILITARY AND CIVILIANS.....	10
GOVERNANCE.....	11
RULE OF LAW.....	12
CONCLUSION.....	14

## INTRODUCTION

The Governance and Economics Conference (GEC) was designed to assist II Marine Expeditionary Force (Forward) (IIMEF (Fwd)) in preparing for its upcoming deployment to Regional Command (South-West) (RC(SW)), Afghanistan. The Conference focused on reintegration and reconciliation, relationships between the military and civilian organizations, economic development, United Nations' programs, community engagement and transitioning to the Afghan Government.

The event was held at the Sheraton Imperial Hotel and Conference Center in Durham, North Carolina, November 29 – December 2, 2010. The Conference was sponsored by the Task Force for Business & Stability Operations (TFBSO) of the Department of Defense, and was organized and delivered by the Center for Stabilization and Economic Reconstruction (CSER) of the Institute for Defense and Business (IDB).

### Conference Objectives:

- Develop a deeper understanding of current assessment and metrics for measuring success in RC(SW) as well as other tools.
- Comprehend the interdependent nature of the most pressing issues in RC(SW), and the second- and third-order effects of that interdependence on kinetic and non-kinetic operations
- Understand economic lines of operation policies, strategies, practices, and progress to date
- Understand Afghanistan's government, tribal structures, interrelationships and authorities
- Assist IIMEF (Fwd) understand and prepare for partnering with the Provincial Reconstruction Teams including setting expectations regarding roles and ongoing projects
- Enhance the effectiveness and sustainability of economic development, rule of law, good governance, and essential services in RC(SW)
- Establish relationships with key officials and organizations involved in stabilization and economic reconstruction efforts in RC(SW), including from the international community
- Understand basic logistical issues related to the deploying unit's support of reconstruction and stabilization activities
- Obtain lessons learned from in-place units; translate into future plans on ground for deployment
- Develop an awareness of the critical role of strategic communications and public diplomacy in the effective implementation of US policy

The Conference consisted of a series of individual and panel presentations, including dinner speakers, with ample plenary discussion and question and answer periods throughout. The Conference provided all attendees, and especially the IIMEF (Fwd) leadership, with the ongoing

development plans and programs, the roles and functions of the major organizations engaged in Afghanistan and the opportunity to network with members of those organizations.

## Transition

There will be two major phases of transition; from now until 2014 and post-2014. The current period is important because this is when provinces will be turned over to Afghan security forces and will set the conditions for the following period. After 2014 the main questions will be what the international community is and is not doing and where.



The desired end-state for Afghanistan is for the country to have a competent and effective security force which is capable of maintaining security and keeping violence to a manageable level and a government which is capable of providing for its people. To this end NATO forces must be aware of their desire to solve problems themselves. The Afghan Government must be able to

deal with issues itself and prove to the people of Afghanistan that it is capable. The ISAF should be on the lookout for Afghans who are prepared and interested in taking the lead. They should push the envelope and take some risks. This is much easier to do at the district level as there are a lot more stakeholders at the provincial level.

It should be noted that the same solution will not work everywhere. The ISAF needs to make sure they are looking at the root causes of stability and instability and be aware that they are different in different communities. The assumption has been that the delivery of government services increases support of the government and reduces support of the insurgency. One study suggests that this is often not the case and that an increase in government services can often feed the insurgency. This is often the case when ineffective, corrupt, and self-serving leaders create bad government. Effective government creates greater local involvement in structures of governance such as participating in district community groups, and ensures disputes are handled and justice is handed out.

The key lesson that can be learned from the transition in Iraq is that planning and preparation for transition can never be started early enough. However, all plans and planners must be flexible as the situation in the country and in the United States can change very quickly.

## Regional Platform

The Regional Platform concept was first implemented in Regional Command (South-West) as the United States government brought in more troops to the area. The US Dept. of State understood they would need to do more to support the mission. This came in the form of a civilian surge and the creation of the Regional Platform (RP) which reports directly to Amb. Ikenberry.

The first challenge was how would the RP interface with, and support the, Provincial Reconstruction Team (PRT) without creating complexities that would make things more difficult. The decision was made to divide labor between the two. To make this work the Senior Civilian Representative (SCR) in the PRT works very closely with the SRC in the RP and this continues all the way down the chain of command. The SCRs also have regular meetings with Governor Mangal to coordinate projects along with the C-9.



The C-9 will approach the RP or the PRT for help when implementing a project. Each has different resources and it is their job to know the tool box and mix and match what

is required to affect a desired outcome or influence a certain problem set.

The RP also subcontracts and currently has 1800-2000 people working for them. They were active in the development of the Helmand Plan and in the formation of the next Helmand Plan along with the PRT. The RP also has representatives in command's "deep-dives" each morning and works very closely with the C-9 and the PRT.

A possible issue which could arise is if the focus of civilian activities begins to swing away from the PRT toward the RP. The PRT should be the center of effort and units should do their utmost to build a relationship with them.

## Economic Development

The overall business environment in Afghanistan is poor. The country is one of the riskiest places to invest money so many companies have difficulty getting mid-to-long-term financing. Many of the banks setup by Afghans are created only to service the needs of the founders. Issues with corporate governance have also hampered efforts to grow the banking sector. Despite Afghanistan having a very good set of laws setup to regulate banks, the issue has been (lack of) enforcement.

A lack of education and business leaders has led to two schools of thought when it comes to the way ahead. Some support the fostering of higher education at universities to prepare a new generation for success in the business arena. The American University of Afghanistan is one such institution. Most graduates from the university are returning to their home provinces to work. The other school of thought is to create low tech solutions to problems which stymie business growth. The Task Force for Business and Stability Operations (TFBSO) has created a number of ingenious solutions to issues such as supply chain management and quality control.

One thing units must be wary of is trying to do too much, or defining all projects as COIN related so they can be completed faster. Everyone understands that Westerners can complete a project faster and better than the Afghans, but over the longer term, units must understand that they need to

let the Afghans do development projects themselves and struggle along at their own speed. If a project is COIN related then it should be prioritized. If a project is development, units need to allow the Afghans develop a sustainable, local level solution and be patient.



Within Helmand Province the economy is based on agriculture and historically produced world-class fruits and vegetables. However, during Soviet occupation, most fruit trees in Helmand were destroyed and the supply chain was broken. Many farmers turned to poppy cultivation as a way of supporting their families. A large effort is being made to entice farmers away from poppy cultivation to legal crops. The current focus is on wheat in the short term, but this will be complimented by high value crops such as nuts, fruit, cotton, and legumes in the long term. The issue will be keeping the farmers interested in fruits and nuts as they will take several seasons to mature and begin to yield a product which can be sold at market.

One issue which was keeping economic growth low was the security environment. The security environment has become more permissive and Gov. Mangal travels by road as often as he can. The local population has also had more freedom of movement. There has been significant growth in the bazaars.



Another issue is developing the infrastructure needed to support some of these crops. Building a cotton gin is required in order to get the full advantage of growing cotton, for example. Wheat mills and other processing plants such as a cotton bale press, oil expellers, grading and marketing facilities, cocoon grain storage for larger farmers and coops and even canal rehabilitation work are all projects which can help support the local economy. All these projects must take into consideration how sustainable they are for local Afghans when troops leave and this is something TFBSO is working on in concert with the PRTs.

The missing link in the supply chain is the cooling, grading and consolidation of produce among local farms, so that it can be packaged and marketed in volume. Due to the poor conditions of roads and the variable security situation, facilities need to be built close to farmers where the produce would drop into chlorinated water which cools and cleans the fruit before grading. The produce can then be properly packaged and sent on.

There are also fruit and vegetable marketing facilities in development. This will enable farmers to exploit the reopening of markets for premium Afghan produce in Pakistan and India. In the long term, when consistent volume is achieved at marketing and grading centers, the Afghans can attempt to attract large investors in produce such as Dole or Del Monte.

Nimroz Province is very different from Helmand and is a very interesting situation. Not much is being done there currently, but this is likely to change. A Nimroz Task Force has been stood up and has begun working. It has been decided to expand the civilian presence there, but how this will be done is still unclear. The population in Nimroz is still trying to figure out who is going to come out on top in the region. They are curious and happy that they are getting employment but are unsure if their lives will change, or if they should get what they can while the opportunity is there. The population is still not convinced that NATO forces are there to stay or that they have changed the game.

## Financing

Financing operations in Afghanistan can be very complex, with a multitude of different funding sources available to units. Operation and Maintenance – Army (OMA) supports the day-to-day operational maintenance and sustainment of service common equipment, systems and personnel. OMA includes administration, logistics, communications, and other service wide support requirements to include stock fund purchases. Review board requirements vary depending on region/requirement and local “Money as a Weapon System” (MAAWS) rules. Units should refer to a local MAAWS manual for the most accurate and up-to-date requirements.

A subset of OMA is Logistics Civilian Augmentation Program (LOGCAP) which funds contractor-provided services in lieu of organic military logistical support. Currently LOGCAP includes dining facilities, Morale, Welfare, and Recreation (MWR) operations, laundry, water works, billeting, vector control, repair services, and power generation/distribution. Requests are approved in Afghanistan and sent to US Army CENTCOM for funding.

Another major funding source is the Commanders Emergency Response Program (CERP). CERP allows commanders to respond to urgent humanitarian relief and reconstruction requirements such as employment opportunities for local citizens, potable water provision, and school supplies. Other acceptable uses include:

- Water & Sanitation
- Agriculture/Irrigation
- Electricity

- Healthcare
- Education
- Telecommunications
- Transportation
- Rule of law & governance
- Civic clean-up activities
- Repair of civic and cultural facilities
- Condolence Payments
- Hero Payments
- Battle Damage/Repair
- Protective measures incl. fencing, lights, barriers to enhance survivability of critical infrastructure sites



For FY11 \$1.3B was requested for CERP; with all four Congressional committees recommending \$900M with \$800M for Afghanistan. Additionally, the House and Senate Appropriations Committees added restrictive language which would limit projects to \$20M and require a 15 day Congressional notification for any projects larger than \$5M. There is also evolving legislation in response to Afghanistan’s lack of infrastructure and congressional restrictions for CERP called the Afghanistan Infrastructure Fund (AIF). AIF will provide units the flexibility to support infrastructure projects with strong COIN importance and

will focus on medium and long-term projects, allowing CERP to focus on small scale, short-term projects as was originally intended.



### *Special Funding Authorities*

- **Military Construction (MILCON)** – MILCON is the appropriation used to execute infrastructure improvements supporting Operation Enduring Freedom (OEF). These requirements can be funded through three different funding streams, and normally applied against CENTCOM’s annually developed Contingency Construction Priority List (CCPL).
- **Minor Construction (O&M)** – “Unspecified” Minor Military Construction, using OMA appropriation for unspecified minor construction up to \$750K per project (\$1.5 million if intended solely to correct life, health, or safety deficiencies).
- **Contingency Construction Authority (CCA)** – Congressional authority to use OMA funding in lieu of Military Construction (MILCON) in excess of the OMA limitation of \$750K with a \$500M limit for Afghanistan. Projects must benefit US forces.
- **Rewards Program (RP)** – Combatant Commanders may authorize payment of monetary funds or payment-in-kind to persons for providing U.S. government and/or allied forces personnel with information or non-lethal assistance that is useful to the operation. It may be used for information leading to the kill or capture of select enemy personnel and information on weapons and ammunition caches but it is not a weapons buyback program. There are different approval authorities which are dependent on the amount being requested.
- **Counter-Narcotics (CN)** – The Dept. of Defense’s CN funding provides unreimbursed support to specified foreign countries to stop the flow of illegal drugs. The focus of support in Afghanistan is developing the interdiction capacity of Afghan counter-drug forces. The two primary Dept. of Defense counter-drug authorities allow for the funding of repair parts, training, infrastructure development, and C2 networks and to provide support for the counter-drug activities of specified countries. Requests for CN funding require a counter-narcotics nexus and are validated in Afghanistan before being forwarded to USCENTCOM to determine if funding is available.

- **Other People's Money (OPM)** – Other people's money is used when organizations solicit the Army for mission support and then reimburse the Army for services rendered. Funds are normally reimbursed using a Military Interdepartmental Purchase Request (MIPR).
- **Combatant Commander Initiative Fund (CCIF)** – Supports unforeseen contingency requirements critical to joint warfighting readiness and national security interests; USCENTCOM initiatives compete with those from other unified commands. Typically these requirements are joint exercise, or contingency operations related.
- **Overseas Humanitarian Disaster and Civic Aid (OHDACA)** – For humanitarian purposes and pays for medical, dental, veterinary projects; preventive medicine; engineering projects (construction/repair of schools, orphanages, wells, latrines, etc.), training and activities related to clearing of land mines and other explosive remnants of war, promotes establishment of AOR-country capability.
- **Afghan Security Forces Fund (ASFF)** – Funds appropriated for Combined Security Transition Command-Afghanistan (CSTC-A), partnered with the Government of Afghanistan and the internal community plans, programs and implements structural, organizational, institutional and management reforms of the Afghanistan National Security Forces (ANSF).

- **Afghan Reintegration Program** – Funds transferred from CERP for Afghan Peace & Reintegration Program (APRP)



***Other funding sources at work within Afghanistan include:***

- Department of State (DOS) Title 22 funds
- United States Agency for International Development (USAID), also Title 22 funds
- Government of Islamic Republic of Afghanistan (GIROA) National Solidarity Program
- NATO funds International Security Assistance Force (ISAF) includes various NATO & Non-NATO partner nations
- Donor nations provide funds for various special purposes or into Trust Funds
- Non Governmental Organizations (NGOs)

## Counter-Narcotics

Afghanistan produces more than 90% of the world's opiates and within Afghanistan 98% of poppy cultivation occurs in the southern provinces. As programs in Khandahar and Helmand have increased in effectiveness, cultivation and production have been pushed into other provinces. Within Nimroz there has been a 370% increase in cultivation. While the numerical amount is small in comparison to Khandahar, it is worrisome due to the steep climb. The increase has been helped by the lawlessness of the region, but hampered because of the small amount of arable land in Nimroz.



Helmand has a specific strategy for dealing with poppy cultivation which is supported by Gov Mangal. The strategy has three phases:

- 1) Public awareness programs- making the farmers/cultivators aware of the program
- 2) Providing the farmers with certified seeds, fertilizer and equipment and educating them about certain methods of cultivation, orchards, how to raise gardens etc.

- 3) Enforcement of law- prosecution of smugglers and farmers who are still cultivating poppy/narcotics. This includes destruction their fields and crops, and production facilities

In '06-'07 there was an increase in hectares used for poppy cultivation in Helmand Province, but starting in '07 when Gov. Mangal took office, there was a 33% reduction and a 7% reduction the following year. Much of this decrease is due to the program and the support given to it by the government and military. Hundreds of growers and traffickers have been convicted. The Afghan Government has created officials, protected facilities, lawyers, judges to lay a foundation which has been used to prosecute hard core traffickers. The issue is that cases often develop into corruption cases or fraud as the drug trade is tied into so many other things and some very high level people.

It is specifically the duty of the police forces to eradicate the poppy fields. Marines should not be involved in the actual destruction of poppy fields as it will draw the people into conflict with the Marines. The Marines and US Government can help with financial and technical support along with providing the equipment needed to carry out the program. At the beginning of March '11, eradication of poppy fields will begin in the new season. The police are going to be directly involved in the eradication but the Afghan National Army and the Marines may be involved in a supporting role.

One area the Marines could be directly involved in is targeting large smuggling operations in the border regions with Iran and Pakistan. Many production facilities are also in these areas. This going on currently and has already netted hundreds of tons of narcotics. The Marines could also target large warehouses and marketplaces. Northern Helmand is one area which is a nexus of drug activity and could be targeted. Any such missions should be coordinated with all parties involved in counter-narcotics, such as the Dept. of State's Bureau of International Narcotics and Law Enforcement Affairs, the PRT, and the United Nations Office on Drugs and Crime (UNODC).

The United Nations Office on Drugs and Crime has the mandate to deal with drugs. They gather together all other groups to coordinate the counter-narcotics mission. Their largest donor is the Canadian Government, but they have worked very closely with the British on a National Drug Strategy for Afghanistan. They usually focus on high impact projects such as alternate livelihood training and integrated border control. Currently, UNODC is training border liaison officers for Nimroz Province. The training is occurring in Herat and, while mentorships have been established, those mentors can't get to the officers due to security issues.

Drug rehabilitation is also offered at 27 treatment centers around the country. One

study indicates that 4% of the Afghan population is addicted, with a major problem being child addiction. The Dept. of State's Bureau of International Narcotics and Law Enforcement Affairs is doing a study on child addiction with Johns Hopkins University. They have found that many children are always around opium because they help cultivate and harvest it, so they begin smoking it. Some are also given opium as a sedative. Wherever possible, programs are being used to educate children about the risks of using drugs.



At a previous conference a speaker was talking about the drug trade and that many people believed that the Taliban used drug money for a significant amount of their operating budget. It has since been found that the Taliban only gets 15% of what they need from the drug trade. This means that they have an astronomical amount of money and that they are getting the other 85% from other sources.

## Relationships Between the Military and Civilians

The importance of a good relationship between the military and their civilian partners has been well documented, yet the gulf between the two cultures has continued to cause difficulties when it comes to deciding the best way to achieve the objectives of the United States government in Afghanistan. Each side has to make an effort to understand the other and work toward full integration of effort.



The US Dept. of State and the United States Agency for International Development (USAID) do not have a staff planning process and so do not understand the military's. While civilians should try to understand how the military works, the military should also try to include them. At

the same time, the military needs to understand that civilian agencies may not have the resources or manpower to be involved in everything. This means that the military will have to help them prioritize what activities civilians need to be involved in. This alone will help reduce many of the friction points between the two groups.

Numerous American businesses and the American people have expressed a desire to help the troops on the ground in Afghanistan. Commanders should be given the opportunity to use the expertise of these people. New guidance from US Central Command has refined definitions and makes it easier for units to directly accept aid from civilian groups. The aim is help troops create positive interactions with the population which will then enable them to increase security in an area.

The most important thing both sides need to recognize is that they are on the same side. When things go wrong they must stand beside their partners in front of the Afghans, as image is just as important as fact.

## Governance

The traditional hierarchy was the Mullahs (religious leaders) and Maliks (clan leaders) subordinate to the Khan (tribal leader). The war with the Soviet Union changed this and Mullahs became a much stronger voice.

In Afghanistan, authority does not always equal power. The military must identify the truly influential tribal leaders in their area and understand and have knowledge of the relationships between leaders and formal and informal areas of leadership. Attempts are being made to integrate these two, rather than work around one or the other. One example is modern practices verses traditional. As progress is made and pressure is placed on the Afghan Government to deliver, there is a change to younger technocrats in the government to administer the new programs. The question is if they are able to lead the people; bring others to the table and have them follow the new plans?

The governor of Helmand Province is Gulab Mangal. In the context of governance in Afghanistan the province could not have a better governor. He is organized, he has the right people in place and is a superb leader considering the situation. However, it may be that NATO depends on him too much.

A major issue the Marines could face is the departure of Gov. Mangal. He has supporters and is jockeying for his next position, preferably a cabinet level position. Gov. Mangal did not want to come to

Helmand; he refused the governorship twice. He often says he'll resign, but will likely stay in Helmand. Then again, the President of Afghanistan could fire him. Ideally there would be elections to work out who would replace Gov. Mangal. In the immediate aftermath, you will also lose the deputy governor and the advisory team around him, all of which is NATO funded, this would be a significant disruption to activity. Basically, if Gov. Mangal leaves or is replaced, his whole staff will go with him. The Marines need to plan for this and be prepared.



Marines are almost too good at turning people away from insurgency and into the structures the military has put in place, but the down side is that the population then comes to rely on the military. They need to try and disengage and let District Governors work on their own. The military has a responsibility to try and create strength within the Afghani civil servants so they will stand up against bad decisions and not ask the military to do it.

## Rule of Law

If the government of Afghanistan is incapable of preventing people from conducting illegal activities then the population will see the government as weak and that it is okay to take part in illegal activities. This makes the strengthening of police primacy and rule of law very important when conducting a counter-insurgency.



Within Afghanistan there are formal and informal avenues to conduct business, this includes the law. There are tribal laws and law enforcers which often account for 75-80% of justice in Afghanistan. This means that success cannot be measured on an American scale, as the system of law is different. This does not mean that the informal system is better than the formal one, often the informal rule of law is enforced by a warlord who does not make fair rulings, but this system is faster than the formal one, so people use it more often. To help educate the population on their rights within the formal system a public awareness campaign has been established, as well as conferences and radio programs.

To help bolster the formal system the police must be included in planning and patrolling. The Afghan National Police have begun to receive better training and continue to improve, but some of their training is not focused where it should be. For example, with the current situation in Afghanistan community policing is not very effective. This is because the police are too scared to patrol. A paramilitary force is more likely to patrol, but it will have to be trained on community policing once the situation improves. A number of US government agencies are in RC(SW) and are offering advice and training to the Afghan National Police and other law enforcement agencies.

The formal system is not perfect though. Many prosecutors were raised in a culture of impunity and lack of accountability. There are no checks and balances so they are able to abuse their power or make unethical decisions. Most judges are illiterate, so even training them becomes a much more difficult task. Additionally, many of the processes to conduct business through the formal system are extremely arbitrary.

Corruption is a challenge and is a significant problem, but there are no easy answers. With as much money as is being poured into RC(SW) there is the risk that people will become corrupt. Afghan officials are poor, or should be, so if they are living well then they are most likely involved in something else illegal or corrupt. People should go through the appropriate channels to report corruption, even if it means taking it all the way up to Kabul. This must be tempered by

the view that it is counter-productive to focus on corruption. If every problem in RC(SW) is blamed on corruption the Afghan people will believe that it is the foreigners

who are responsible for it and that they are using corruption as an excuse to get rid of some leaders.

## **Conclusion**

The deeper you delve into Afghanistan the more progress you see. However, you will take two steps backwards for every three steps forward you take. That, combined with the work and sacrifices being made, leads to frustration in the American people and in the military. Frustration can lead to people doing things that would affect the entire effort and this must be guarded against.

It is good to remember that, depending on which province, US forces have not been there for ten years, they have only been there for 17 months, sometimes as little as 10 months. Development will take time and the Afghans are the ones with all the time.

The most important thing is to grasp the interdependency of the work being done in Afghanistan. It is what will lead to success and should never be ignored.

