



I MARINE EXPEDITIONARY FORCE (FORWARD) GOVERNANCE AND ECONOMICS CONFERENCE



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INSTITUTE
FOR DEFENSE
& BUSINESS

REPORT OF PROCEEDINGS



I Marine Expeditionary Force (Forward) Governance and Economics Conference

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FORWARD

This report of proceedings is intended to provide a summary of the presentations and discussions that took place at the I Marine Expeditionary Force (Forward) Governance and Economics Conference. To ensure adherence to 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.

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INTRODUCTION

The Governance and Economics Conference (GEC) was designed to assist I Marine Expeditionary Force (Forward) (IMEF (FWD)) in preparing for its upcoming deployment to Regional Command (Southwest) (RC(SW)), Afghanistan. The Conference focused on transition, rule of law, governance, reintegration, assessment, relationships between the military and civilian organizations, economic development, corruption and narcotics.

The event was held at the Naval Mine and Anti-Submarine Warfare Command Base in San Diego, California, November 7-9, 2011. 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:

- Developing assessment and metrics tools for measuring success in the AO
- Comprehending the interdependent nature of the most pressing issues in the AO, and the second- and third-order effects of that interdependence on kinetic and non-kinetic operations
- Understanding economic lines of operation policies, strategies, practices, and progress to date
- Understanding Afghanistan's government, tribal structures, interrelationships and authorities
- Helping deploying units understand and prepare for partnering with the Provincial Reconstruction Teams including setting expectations regarding roles and ongoing projects
- Enhancing the effectiveness and sustainability of economic development, rule of law, good governance, and essential services in the AO
- Establishing relationships with key officials and organizations involved in stabilization and economic reconstruction efforts in the AO
- Understanding basic logistical issues related to the deploying unit's support of reconstruction and stabilization activities
- Obtaining lessons learned from in-place units; translate into future plans on ground for deployment
- Developing 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 IMEF (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

The process of transition within Afghanistan now enters nearly every conversation regarding the country as civil and military personnel alike consider its new trajectory and construct plans in order to ensure sustainability and success. All 33,000 additional US forces ordered to Afghanistan by President Obama in December 2009 will return by the end of 2012, with the initial 10,000 returning within 2011. Following 2012, forces will come back steadily as the Afghan Security Forces take the lead for the nation's security. This withdrawal should be completed by 2014, as transition will have Afghans responsible for their own security. At this time Provincial Reconstruction Teams (PRTs) should no longer be present and there will likely be one Embassy as well as four Regional Platforms. The strategic partnership developed between the two countries reinforces that the US is not abandoning Afghanistan. Rather, transition is a continuation of the efforts, not the conclusion of partnerships.

The end state of the transition process will find Afghanistan in a conflict-rich development environment. The first project is, therefore, to deliver stability with Counterinsurgency (COIN). The clear phase has passed and the country is now in the stabilization phase. Security will remain a major concern during this period. With large numbers of troops exiting Helmand, there must be a focus on training the Afghan Security Forces (ASF), with attention also given to Afghan border police.

Going forward is not the time to undertake new projects. Rather, the focus should be on the transitioning of existing programs to the Afghans. Programs should have community participation moving towards eventual community control of all projects. It is imperative to be realistic about the transition, to avoid the temptation of doing or expecting too much at this time.

There should be a focus on government legitimacy through service provision. Legitimacy speaks to the people's acceptance of government authority and should be achieved with attention to the following:

- Percentages of on-budget vs. off-budget money spent
- Amount of allocated development money spent by the Government of Afghanistan (GIRoA)
- Percentage/amount of CERP spent through GIRoA line ministries over time

Research shows a strong link between legitimacy and service provision (justice, infrastructure, grievance resolution, representation to the center, etc.) Legitimacy will be undermined when most services are provided by non-governmental organizations (including ISAF) rather than GIRoA.

Afghanistan's end-state will be shaped by the following:

- The degree to which Afghan survival behavior affects legitimacy and trust in government
- Cohesion of the NATO Coalition- will support waver or be sustained?
- Nature and actions of splinter groups if we succeed
- How will NATO/GIRoA address root causes?
- Events in Pakistan

Regional Platform (SW) and Helmand Provincial Reconstruction Team (HPRT)

The Regional Platform (RP) concept originated in 2009 with the purpose of implementing efforts at the national and sub-national level to enhance Afghan government capacity, improve rule of law and initiate sustainable growth. Five regional platforms were established to parallel the five ISAF Regional Commands to facilitate greater civilian-military integration in the field.

The purpose of RP (SW) is to:

- Coordinate the work of all U.S. Government civilians and programs under Chief of Mission Authority
- Achieve unity of the civilian effort by ensuring coherence between political and development efforts
- Achieve effective implementation of an integrated civilian-military strategy
- Provide policy and governance advice to, and receive security advice from, Regional Command (SW) (RC (SW))
- Integrate U.S. civilian efforts with those of Allies, in particular the Helmand PRT
- Ensure close communication with District Support Teams, Regimental Combat Teams, Regional Commands, Provincial Reconstruction Teams and Kabul

The overarching priorities for RP (SW) are as follows:

- Stabilization and Development

- Governance and Political Engagement
- Address Inequality and the Culture of Impunity
- Security

The Helmand Plan 2011-14 is a shared vision for the province agreed by GIRoA, RC (SW), RP (SW) and the Helmand PRT. It states that Helmand's population rejects the insurgency and supports the Afghan government:

- Lashkar Gah, Gereshk, Nawa, Marjeh, Nad-Ali, Garmser secure/increasingly under Afghan control
- Freedom of movement in/around/through these districts to economic and regional centers
- Outlying districts are not staging posts for insurgents and deliver acceptable security levels
- Conditions being set for emergence of Helmand Economic Corridor to drive development

RP (SW) is staffed at Leatherneck with Subject Matter Experts (SMEs) covering 9 key sectors (political, public diplomacy, plans, stabilization and development, agriculture, governance and rule of law, border management, counternarcotics and security). These SMEs help to facilitate information sharing, planning, coordination and project management in support of the shared goals of the Regional Command, PRT and DSTs.

The Helmand PRT will close by the end of 2014 and currently operate under the following priorities:

- Strengthening GIRoA systems and capacity
- Key economic infrastructure
 - Roads
 - Canals
 - Irrigation and power networks
- Private sector development and attracting new actors

Proceeding towards 2014 the HPRT will continue to focus on effective delivery, clear communication and collaborative relationships with its partners.

Economic Development

Afghanistan is a very small economy whose geo-political importance far outweighs its current economic value. The Afghan government has very limited capacity, particularly in economic areas. Government revenue collection is unable to support the relatively small budget. GDP for 2010 was \$16.6 billion with a 8% GDP growth rate. The Afghanistan GDP growth rate is fueled by consumption and is quite volatile, experiencing a significant decrease from 2009 to 2010. Agriculture, hunting, fishing and forestry are now the leading GDP component at 37% of GDP, followed by manufacturing at 17%. Agriculture also dominates the employment sector as well. International economists predict that withdrawal of international forces by end of 2014 will have a negative impact on the Afghan economy as military spending in the local economy will decline. There may be an estimated 30% overall contraction of GDP as a result of withdrawal, mandating that the international community look closely at the economic impacts of transition.

Other important economic indicators for the country include:

- poverty rate (less than \$25/month)- 36%
- unemployment rate- 35%
- literacy rate- 28%
- population in which 50% are under 16 years of age

The pattern of poverty reflects major imbalances in conflict vs. non-conflict areas. Afghanistan is also ranked 155 out of 169

countries on the Human Development Index (HDI), a measure of life expectancy, literacy, standards of living and education worldwide, giving it the lowest rating of HDI in Asia.

Donor assistance is driving GDP growth, meaning that GDP is growing rapidly primarily because donors are building and buying in the country. Helmand Province has an external budget of approximately \$350 million for 2010/11 compared to core on-budget financing of only \$49.3 million. Similarly, since 2001 the international community has provided approximately \$101 billion in assistance to Afghanistan as a whole (both security and non-security), with the US providing approximately \$72 billion of the total assistance (with security at \$40 billion and non security at \$32 billion).

At the 2010 Kabul conference the international donors also pledged to increase the amount of aid provided directly through the government budget, citing that on-budget aid is an important way to support transition. The Afghan Reconstruction Trust Fund and the Law and Order Trust Fund will be major vehicles for this type of assistance. The US is working towards the goal of 50% on-budget aid through government public financial management and procurement systems where the requisite capacity and accountability exist. The majority of US assistance to Afghanistan has been funneled through the Department of Defense.

The Afghan Government Economic Strategy includes the following points:

- develop fiscal sustainability
- strengthen the budget as an instrument of policy
- improve budget execution
- develop capacity to implement programs
- increase accountability and transparency

The US Economic Strategy in Afghanistan will support inclusive Afghan economic growth, focusing on key sectors with highest potential for revenue generation and job creation. The strategy will support conditions necessary for sustainable, long-term, private-sector led growth, with the US working closely with the Afghan Government to:

- Broaden Afghanistan’s economic relations with neighbors
- Mitigate the impact of transition
- Improve Afghan capacity to manage the economy
- Increase Afghan government revenues
- Facilitate growth in key sectors
 - Agriculture
 - Lt manufacturing
 - Extractives
 - Services
- Increase private investment

The Civil-Military Integrated Economic Strategy works to leverage emerging regional trade corridors to broaden access to regional markets, allowing border access for commerce, not insurgents. Foundational investments in energy, extractive industries

and agriculture will also play a key role in the economic strategy.

The New Silk Road Initiative should be viewed as an organizing vision for the future economic order of the region, characterized by the following:

- Diplomatic effort to engage neighbors in a positive manner with respect to Afghan sovereignty
- Encouragement for the region to consider new areas of trade with new partners
- Action to improve movement of goods across international borders
- Building of foundations (capacity and infrastructure) for eventual regional trade in agricultural products, minerals, electricity and gas
- Not designed to exclude anyone, including China, Russia and Iran

The economic future of Afghanistan focuses on mineral resources and overcoming the challenges for mineral extractions. There are large amounts of mineral reserves within the country, yet it is hampered by weak mining laws, poor infrastructure (road, rail, water, electricity), insurgency, access to ports and lack of transparency. Transparency International ranks Afghanistan 176 out of 178 on its corruption index, a major obstacle to investment and correlated economic growth.

Reintegration

ISAF Commander has stated that reintegration is the logical outcome of any COIN campaign. ISAF will then seek opportunities to allow insurgents to cease fighting and join the peace process.

The Afghanistan Peace and Reintegration Program (APRP) in Helmand has enjoyed several achievements, including:

- 19 reintegration candidates
- Provincial Peace Committee (PPC) approved
- Small grants account established
- Five APRP priority districts identified
- 25 Afghan Reintegration Program (ARP) projects funded (\$1.4 M)
- 12 ARP funded District Reintegration Teams created

Future challenges for the APRP in Helmand include:

- Provincial Joint Secretariat Team (PJST) capability to conduct future demobilizations themselves
- PJST capacity to manage finances, monitor and support Community Recovery Project implementation
- Secure implementing partners
- Influence Kabul-level Ministry Programs

It is important to remember that reintegration is an Afghan program. It does not belong to ISAF, but to Afghans themselves. With this in mind the following actions should be taken in support of the APRP:

- Think reintegration
- Talk up the Commander's intent
- Prepare for/solicit approaches
- Be educated with regards to targeting lists and detentions
- Build relations with all interested parties
- Push for unity of effort
- Build effective relationships with interpreters

When discussing or working with the APRP, care should be taken to in the following areas:

- Make no promises
- Do not link reintegration to job training or jobs, especially security jobs
- Do not use or refer to 'surrender'
- Do not let them play parties against each other
- Do not get into discussions about what others are receiving elsewhere
- Do not miss an opportunity or delay a response to an approach

The following are good APRP talking points for IMEF to use with Afghans:

- President Karzai and the government are working to bring peace
- Professor Rabbani was martyred as he struggled for peace
- We respect your religion and traditions which give you a path to peace and reconciliation

- The peace program led by Governor Mangal and the PPC is a road to peace
 - We will help so Afghans who want to come back to their community and family and live in peace can do so
 - The United States and other ISAF countries support all Afghans who struggle for peace
 - It is important for us to talk with you and others about how we can help
- We will work for peace, but we will also work for security and we will fight the enemy when he threatens or attacks
 - If you have questions about us and what we can do, please ask
 - It is important that you have the best, correct information and do not believe the rumors and lies

Agriculture and Narcotics

Agriculture and its related illicit industry are key to the economic development of Southwest Afghanistan in the short run and will thus play an increasingly important role in transition. Transitional efforts in areas that are sufficiently secure from stability operations to development strategies should be the COIN objective.

Economic stabilization will be a critical aspect of transition and agriculture will continue to play a major component of the Afghanistan economy. Agricultural economics will make contributions to each of these areas:

- Survival: basic needs such as water, food security and shelter
- Security: safety and rule of law
- Stability: minimize volatility in supply, demand and price

Commodity markets in Afghanistan operate at three levels:

- National
 - Kabul processing facilities
- Regional
 - Kandahar, Herat, Quetta
- Local
 - Bazaars, grain markets, gins
 - Farm gate retail sales
 - Farm gate commercial sales

Subsistence farmers in Afghanistan are those whose products are intended to provide for the basic needs of the farmer with little surplus for marketing. Commercial farmers, on the other hand, are those whose products are intended for sale

and profit. Cooperatives and associations are vehicles for pooling subsistence farmers' surplus for sale and profit.

Agricultural policy and systems are evolutionary, not revolutionary. Work must be done to ensure quality inputs at the beginning of the supply chain as well to improve the initial step in the chain from the producer. These improvements could be made through grading and marketing centers, marketing associations, exporters, gins and storage cocoons. Agribusiness councils should also be developed throughout the area with a push towards associations rather than cooperatives. It is also important that National Afghan Agricultural policy be implemented effectively.

Papaver somniferum, or opium poppy, continues to play a major role in the Afghan agriculture sector. It is important to recognize that poppy is actually not easy to grow and that farmers will not be destitute without it. Farmers already know that they have been operating in a false economy and that alternative livelihoods need to be explored to find legal and normal production activities. However, farmers continue to be risk averse to counter narcotics measures. The resulted higher price may reduce the amount planted in order to reduce exposure. The higher price could also create marketing challenges due to greater requirements for cash. In this instance brokers are also risk averse as higher value crops create greater risk and there is the potential that the

marketing structure will be challenged by greed.

The following recommendations could be employed as counter narcotics strategies:

- Strongly encourage Provincial Government to follow through on legal ramifications
 - Work with GIRoA on developing crops that are desired, needed and profitable such as cotton, peanuts, soybeans and vegetables
 - Follow through on direct impact projects that add value to farm commodities
- Maneuver element commanders should be reporting significant areas of illicit plantings and large operators
 - Commanders should sponsor shuras with local leaders condemning opium
 - Target local producers
 - Smaller producers will follow the larger ones
 - Larger producers will have greater access to market their opium with less risk

Governance

Politics is primary in any counterinsurgency- governance will therefore play a critical role in the transition COIN efforts. Ultimately, the primary purpose of any COIN operation is to foster development of effective governance by a legitimate government. Governance within Afghanistan suffers from many problems, including:

- Government misrule
- Corruption
- Abuse
- Over-centralization

These problems are set within the larger political issue: a divided society. Afghanistan is not united enough to stand together. The fractious components indicate that they could fall divided.

In order to understand the current situation in Afghanistan and, more specifically Helmand, it is important to review the history and trends of governance in the region. Before 1978 governance in Helmand was highly centralized with funds flowing from Kabul to line-ministries. The government ultimately depended on tribal elders to maintain order using a variety of carrot (money, control of territory, canal project) and stick (punitive military force, land seizure) incentives. During this period the government was strong enough to keep order.

However, 1978-2001 saw the fracturing of Helmand as jihad brought an end to the political balance. The Taliban invaded Helmand in 1994 and began building its

own support base by suppressing tribal elders, empowering the religious leaders and giving land to the landless. The Taliban in this period were known for law and order and for Islam.

Sympathy for the Taliban remained from 2001-2006 despite the start of the Karzai government and a strong District Governor (DG) in Garmser. GIROA failed to win over the religious community and the landless peoples were mistreated. Tribal infighting eventually toppled the government in 2005, the DG was removed and the Taliban attacked.

The Taliban controlled the Garmser district from 2006-2008, enforcing order and bringing in favorable policies (encouragement of poppy, no conscription, etc). However, beginning in 2008 the British and Marines recaptured Garmser.

The US and UK currently face the challenge of building a well-governed and united Helmand. The PRT roadmap was meant to aid in this effort by building a capable government that the people accept. Tribal engagement will be a critical part of this process. The DG has identified key leaders to work with and they have made a strong difference by securing territory and providing men for police.

Garmser and Helmand are at a critical moment where it remains to be seen whether or not the people will stand behind the government. The tribes and GIROA remain united, but cracks in the relationship are apparent. Possible steps forward include:

- Institutionalize progress in governance
 - Example- convince Kabul to fund community councils
- Convince tribal leaders that the ASF will not be defeated
 - Leave advisers in region past 2014
- Restrain infighting
 - Leave small District Support Teams at key districts past 2014 with funding
 - Encourage Governor Mangal and Kabul to put in strong District Governors

It is also important to remember that a strong GIRoA is the only hope of holding governance together.

Rule of Law

The Helmand Rule of Law strategy promotes one system encompassing both the formal and informal as well as bridging mechanisms. The goal is to interject credible risk into activities which support insurgency or undermine the perception of state, with an emphasis on the provincial level, tier 1 districts, counter terrorism and the National Directorate of Security (NDS). The Helmand PRT leads in building all aspects of the justice system.

The state justice system includes criminal justice and civil courts, huqooq, Counter Narcotics Police- Afghanistan (CNP-A) and NDS. State justice generally lags behind security and governance, but there is a system in place which is beginning to function. The majority of districts now have state justice officials, with approximately 3-4 permanent defense lawyers. Every quarter this system resolves 4-8 cases in each district.

The Huqooq department within the Ministry of Justice provides mediation solutions with respect to inheritance issues, land issues and disputes between family members and neighbors, often with the assistance of mullahs or tribal elders. However, the Huqooq does not have enforcement ability. The Police or Prosecutor's office may also be called upon for investigative capacity.

There are numerous challenges to the development of the State Justice system, including:

- Corruption
- Negative public perception

- Difficulty in filling justice and police tashkiels, recruiting and retaining well qualified investigators, prosecutors, defense lawyers and judges
- Murder and intimidation
- Lack of physical facilities and equipment
- Lack of accountability to Afghan public

In Helmand, most disputes are resolved through informal channels, or community based dispute resolution mechanisms such as tribal elders. These resolution mechanisms provide approximately 80-95% of civil and criminal justice in the province.

The informal system also includes Taliban justice which is prevalent only in Taliban controlled areas. Taliban justice is a mixture of Sharia law, Pashtunwali and Wahhabist teachings. During the Taliban regime, many in Helmand appreciated effective enforcement of decisions, rapid decision making, accessibility and non-corruptibility.

The District Community Council (DCC) Justice Sub-Committees are the bridging mechanism between the two systems. These committees are comprised of groups of senior tribal elders representing all major communities in a district. They promote dispute resolution and strengthen links between the government and communities. They should also provide support to community and religious elders who are resolving disputes, by offering referrals and

liaising with state institutions to help enforce decisions.

The transition focus for Rule of Law is to strengthen the justice system in the following ways:

- Emphasis on military prosecutors to deter Afghanistan National Security Forces abuse of the population
- Emphasis on Anti-Terrorism Police who will prepare detainee case packets
- Emphasis on NDS to prevent illegal releases
- Ensure government land policy remains benign

The prosecution of insurgents is also a major focus of transition. Insurgents can be prosecuted in two ways:

- Via NDS courts- historically found to be ineffective and corrupt, but there have been significant improvements since 2010
- Via the Counter Narcotics courts- for those insurgents found with drugs. Only a handful of insurgents are prosecuted this way, but conviction rates have been extremely high.

Assessment

Accurate and useful assessment will be a critical component in the transition processes within Afghanistan in order to identify best practices and course-correct where necessary. The doctrinal definition of assessment states that it measures progress of the joint force towards mission accomplishment and should help commanders make critical decisions to ensure that future operations remain aligned with the military end state. The specific operations assessment question within the Afghanistan transition context is:

“What is the likelihood of, and the risks to, the conditions for the specified end states occurring or remaining stable if the region were to transition to full GIRoA control?”

The current metrics collection system is bloated with 434 indicators, each of which is broken into 5 rank order levels which are demanded for collection. Commanders and staff should guard against ‘rankings’ or other simplistic methods that can fail to underscore the complexity involved in the decision making process. Military operations do not subscribe to mathematic additive properties. Accordingly, any assessment-related, color-coded charts that reflect a numerical sum or average of discrete values will be fundamentally flawed. Unfortunately, the current construct suffers from these flaws, losing any compelling connection between objectives, metrics and assessments.

The recommended information operations (IO) framework proceeds as follows:

1. Mesh with joint operational functions and plans. Must also identify:
 - a. IO objectives
 - b. End states for each IO objective
 - c. Explicit and implicit ‘critical requirement’
2. Write the Assessment Question
3. Analyze the Commander’s Intent
 - a. Why is each critical requirement important to each stakeholder?
 - b. Use ‘5-why’ drill down
 - c. Produce narrative, not cartoons or PowerPoint
4. Identify Topics and Metrics from the narrative
 - a. Who is doing what to whom, and why?
 - b. What do we want more of?
 - c. What do we want less of?
5. Provide guidance to collectors
 - a. Give them topics
 - b. Give them intent behind each topic
 - c. Allow them to use their initiative in reporting
6. Make the assessment
 - a. Use devil’s advocacy
 - b. Separate optimistic and pessimistic assessments
 - c. Then merge to answer the assessment question

Conclusion

Afghanistan remains in a critical transition stage. The military surge is complete and with forces drawing down, all energies and resources will be poured into the transition processes. Sustainability will be key in order to make sure that the work and resources utilized now will have a lasting effect once the US presence is significantly reduced. As Afghans begin taking responsibility for their own security and future, they will need the continued support, and united effort, of all American actors.

