Australian Government

Department of Foreign Affairs and Trade

Submission to the Senate Standing Committee on Foreign Affairs, Defence and Trade

Inquiry into the administration, management and objectives of Australia's overseas development program in Afghanistan in the context of the 'Transition Decade'

October 2012

Development assistance supports Australia's national interest

Australia's substantial whole-of-government efforts in Afghanistan – civilian and military – directly support Australia's national interest in preventing Afghanistan from again becoming a safe haven for international terrorism. We share this interest with the Afghan Government and people and with our international partners, including the 49 other countries that are members of the International Security Assistance Force (ISAF).

The aid program is among the most important measures the Australian Government has adopted to pursue this strategic goal. Australia's aid program helps underpin Afghan stability and security by: contributing to social and economic development; delivering humanitarian relief; supporting emerging civil society institutions; strengthening governance; building capacity at the national and sub-national levels; and promoting peace and reintegration.

We should not have illusions about the scale and complexity of this endeavour. Decades of war have fractured Afghan society, arrested the country's economic development, and undermined trust between its myriad ethnic and tribal groups. Like many countries emerging from conflict, Afghanistan will be beset by security, governance and development challenges for decades to come. The country is located within a tough neighbourhood.

Despite these many challenges and the weight of its history, we assess Afghanistan will not regress to the terrible conditions of the recent past, thanks in part to the tangible and positive impact of international – including Australian – development assistance. By remaining deeply engaged in Afghanistan's development over the coming decade, we can consolidate the gains of the past decade and reduce the risk that Afghanistan will again become a major source of regional instability and international terrorism. We can help Afghanistan find its niche in the Asian Century.

Australia's integrated approach to Afghanistan

Australia's development assistance to Afghanistan is underpinned by strong policy coordination and extensive political engagement and advocacy.

DFAT plays a central role in coordinating Australia's policy approaches, both among Australian agencies and with our Afghan and international partners. Building on the lessons of other civil-military interventions in recent decades, we have developed an integrated approach to our involvement in Afghanistan.

DFAT has a robust diplomatic presence in Kabul, as well as in Kandahar and Tarin Kowt in southern Afghanistan. As the Australian Government's senior representative in country, the Australian Ambassador in Kabul is responsible for managing our bilateral relationship with Afghanistan, promoting Australia's interests as a member of ISAF, and coordinating Australia's whole-of-government activities across Afghanistan. On a daily basis, DFAT officers in Afghanistan advocate on behalf of Australia's policy objectives, engage with senior Afghan and ISAF officials, and report on a wide range of political, security and economic developments. Our Embassy in Kabul has played a critical role in establishing the bilateral architecture to support our integrated policy approach. This has included leading on negotiations with the Afghan Government on arrangements covering the Australian Defence Force (ADF) and Australian Federal Police (AFP) presence in Afghanistan; assisting in the negotiation of a Memorandum of Understanding on Migration and Humanitarian

Cooperation between Australia, Afghanistan and the United Nations' High Commissioner for Refugees (UNHCR); and negotiating a Comprehensive Long-term Partnership between Afghanistan and Australia (see Long-term Support vital for Long-term Stability section below).

Australia's Special Envoy for Afghanistan and Pakistan engages closely with his Afghan and international counterparts to coordinate the international strategy for Afghanistan and review the implementation of international commitments, including development activities.

Australia's global diplomatic network – in posts such as Brussels, Washington, London, the United Nations New York, Islamabad and Tehran – also contributes significantly to the integration of our policy approaches, including through advocacy, negotiation and outreach.

DFAT's advocacy helps to create an environment in which development and stabilisation activities can be pursued. Strong political engagement, for example, will be necessary to ensure that Afghanistan adheres to its commitments under the Tokyo Mutual Accountability Framework (TMAF), which was agreed between Afghanistan and its international partners at the Tokyo Conference in July 2012. DFAT's political engagement will focus on encouraging and supporting the Afghan Government to tackle core TMAF commitments on elections, corruption, governance, the rule of law, and human rights, including the rights of women and girls.

Australia's development assistance to Afghanistan

The level of Australia's development assistance to Afghanistan – including further planned increases in the aid program out to 2015-16 – is commensurate with our national interests, our role as the largest non-North Atlantic Treaty Organisation (NATO) contributor to the ISAF mission, and the development needs of one of Asia's – and the world's – poorest countries.

The people of Afghanistan enjoy greater freedoms and a better quality of life now than in 2001. This is especially true for Afghanistan's women and girls. Australia's development assistance has contributed to important gains in health, education, and economic development, as is detailed in the submission to this inquiry by the Australian Agency for International Development (AusAID). Despite these gains, Afghanistan remains one of the poorest countries in the world. Gender inequality is profoundly entrenched and violence against women is widespread. Governance capacity, including of new democratic institutions, is very limited. The economic and fiscal challenges facing Afghanistan with transition are severe.

Since 2003, Australia has contributed $210 million to the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF). In 2011/12 AusAID contributions to the ARTF represented approximately half of AusAID's country assistance. The ARTF is the core mechanism for funding the Afghan Government's National Priority Programs, including the Basic Package of Health Services (BPHS), the Education Quality Improvement Program (EQUIP) and the National Solidarity Program (NSP). Despite implementation challenges in many areas, programs such as these have been central to Afghanistan's development gains. A recent high level review of the ARTF, funded by Australia, found that the ARTF is an effective mechanism which remains fit for purpose. Channelling a substantial percentage of our aid through an on-budget mechanism such as the ARTF is good development practice. In particular, it helps build capacity in Afghanistan's national institutions, which is fundamental for a functioning

state; strengthens links between the national and provincial governments and local communities; and more easily allows priorities to be set on a national basis.

International aid, including Australian aid, has also contributed to Afghanistan's emergence as a constitutional democracy. Through our support to national institutions such as the Independent Election Commission of Afghanistan (IEC) and the Afghanistan Independent Human Rights Commission (AIHRC) and our diplomatic engagement with a wide range of political actors, Australia has helped to promote the protection of human rights, the acceptance of democratic norms, the independence of the media, and the development of civil society. Consolidating these new and fragile democratic gains will be a core priority for Australia's future engagement in Afghanistan, especially in the lead up to planned presidential elections in 2014 and parliamentary elections in 2015.

Australia's development assistance has made a material difference to the lives of women and girls. Protecting and expanding these gains will remain a key focus for our aid program, especially our education activities.

Australia's contribution in Uruzgan province

As has been true of other ISAF contributing countries, Australia has not had a consistent rate of effort in Afghanistan since 2001. Our military and civilian activities have evolved through multiple phases and have increased sharply since 2008.

Since 2006, the locus of Australia's military effort in Afghanistan has been Uruzgan province, where we have assisted ISAF partners in security operations, provided training and mentoring for Afghan National Security Forces (ANSF), and undertaken military-led stabilisation activities to provide basic infrastructure and promote development. Australia's civilian contribution in Uruzgan expanded significantly when Australia assumed the leadership of the Uruzgan Provincial Reconstruction Team (PRT) in August 2010, which was accompanied by a significant increase in Australia's development assistance to the province. In assessing Australia's achievements in Uruzgan, we should be mindful of the relatively short period of time that Australia has been directly engaged in significant diplomatic and development activity in the province.

Moreover, development in Uruzgan has commenced from a very low base. Across many indicators, Uruzgan is among Afghanistan's least developed provinces – a product of its relative isolation, the limited external support it has received, and endemic political and tribal conflict. It is a traditional stronghold of the Taliban movement, and many high level Taliban leaders, including the Taliban's Supreme Leader Mullah Omar, have connections to the province. The literacy rate in Uruzgan is less than ten per cent.

From this low base, the three main ISAF contributors that have been active in Uruzgan – Australia, the Netherlands and the United States – have contributed to tangible gains in governance and development, as are outlined in detail in AusAID's submission to this inquiry. Australia, the Netherlands and the United States have worked together closely to coordinate our approaches, and in some cases have successfully implemented joint programs. There are useful lessons in this for our engagement in other parts of the world.

DFAT has provided leadership of the PRT since August 2010. The PRT is an integrated civil-military organisation comprising roughly 175 personnel, mostly US and Australian. For much

of the past two years, the PRT has had a presence in five of Uruzgan's six districts, where PRT officers have undertaken intensive political and tribal engagement activities, designed and implemented development and stabilisation programs, and promoted peace and reintegration objectives and ANSF accountability. PRT projects have ranged from small scale village projects in areas recently 'cleared' by Afghan and ISAF forces through to AusAID's four-year 'Children of Uruzgan' health and education program. The PRT's efforts have been critical in creating a broader political environment in which transition can be progressed.

The ADF Managed Works Team was transferred from the ADF Mentoring Task Force (MTF) to the PRT in August 2010. As is set out in Defence's submission to this inquiry, the Managed Works Team has made a significant contribution to the improvement of Uruzgan's infrastructure, including the construction or upgrade of roads, bridges, mosques and health and education facilities. It has left a physical legacy of which Australia and the ADF can be proud.

Strengthening Uruzgan's linkages with national ministries in Kabul is a key priority for our diplomatic engagement and advocacy in Afghanistan. Indicative of this effort, our current Ambassador in Kabul has visited Uruzgan more than 30 times over the past three years.

This advocacy role will remain important after transition is completed. Given our strong investment – and sacrifices – in Uruzgan, we will seek to maintain political and development links to the province after the completion of transition, including by seeking to ensure that Uruzgan has appropriate access to internationally-funded development programs. We acknowledge, however, that the level of our engagement will depend on the security situation in Uruzgan and southern Afghanistan, and that access for monitoring and evaluation will likely be very difficult.

Long-term support vital for long-term stability

To safeguard the gains of the past decade and promote Afghanistan's long-term stability, the international community has put in place arrangements for providing long-term support to Afghanistan. These arrangements now constitute a solid foundation of Afghan and international commitments.

Ensuring that the Afghan National Army (ANA) and the Afghan National Police (ANP) have the resources they need to assume full responsibility for Afghanistan's security at the end of the transition process in December 2014 is vital to this strategy. To this end, Afghanistan and its international partners pledged at the NATO/ISAF Summit in Chicago in May 2012 to contribute US$4.1 billion per year from 2015. As part of this effort, Australia will contribute US$100 million per year for three years from 2015 to support ANSF sustainment. We are working with our ISAF partners to ensure a robust mechanism is established for overseeing these sustainment funds.

At the Tokyo Conference on Afghanistan in July, Afghanistan's partners pledged some US$16 billion over four years from 2015-16 to support Afghanistan's development needs through this decade. We will increase Australia's aid program to $250 million per year by 2015-16.

Australia's commitment to Afghanistan's long-term security and development was also demonstrated by the signing of a Comprehensive Long-term Partnership between Australia and Afghanistan by the Prime Minister and Afghanistan's President Karzai at the Chicago

Summit. The Partnership provides a roadmap for the key areas of bilateral cooperation, including defence and security ties, development cooperation, police links, political engagement, people to people ties, and migration cooperation. It also forms part of the web of partnership arrangements that Afghanistan has entered into over the past year with its key bilateral partners, including most notably its Strategic Partnership Agreement with the United States. The Australian Government has indicated that it would be willing to contribute to a post-ISAF mission in Afghanistan focused on training and advisory support to the ANSF and that, under the right mandate, it would also consider contributing Special Forces.

Taken together, these international pledges of support for Afghanistan's security and development over the coming decade – in return for action by the Afghan Government to tackle problems such as corruption – constitute a credible plan for ensuring that Afghanistan receives the support it needs to stand on its own feet. Importantly, these pledges will help ensure that Afghanistan is not abandoned by the international community in the way it was in the early 1990s – an abandonment that led directly to the creation of terrorist safe havens. Standing by Afghanistan is a good long-term investment by the international community.

Numbering more than four million, Afghan refugees and asylum seekers are the largest such group in the world. Afghans also constitute the largest single source of Irregular Maritime Arrivals to Australia. The Displaced Persons Program (DPP) overseen by the Department of Immigration and Citizenship (DIAC) will expand over the next two years to further address Afghan displacement, in particular to support the return of Afghan refugees from Iran (of which there are an estimated 700,000).

Constructive regional engagement will be critical for the long-term stability and development of Afghanistan. In late 2011, the Istanbul Process was launched to drive regional cooperation on Afghanistan. It involves a core group of 'Heart of Asia' countries which have reaffirmed their commitment to fostering a secure and prosperous Afghanistan. It seeks to do so through seven Confidence Building Measures (CBMs) covering: disaster management; counter terrorism; counter narcotics; chambers of commerce; commercial opportunities; regional infrastructure; and education. Australia is an observer member of the Istanbul Process and we are focusing our support on the education and commercial opportunities CBMs.

Safety of Australian Government personnel in Afghanistan

Providing effective measures for the security of Australian military and civilian personnel in Afghanistan is the Government's highest priority.

A private security company, Hart Australia, provides security for the Australian Embassy in Kabul. The contract for this service, awarded through an open tender process, commenced in November 2010. Security services include: 24-hour perimeter guarding; close personal protection; explosive protection dog patrols; operational security planning and coordination; threat reporting; armoured vehicle management; weapons and other equipment maintenance; and logistical security support.

Arrangements are regularly reviewed to ensure maximum risk mitigation measures are in place to support all Embassy staff.

In Uruzgan, Australian civilians – like their ADF colleagues – regularly undertake 'outside the wire' travel (i.e. travel outside the perimeter of ISAF bases) in support of our mission in the province. Force protection for these moves is provided by the ADF or US military elements, in accordance with a classified ADF security directive. The directive is regularly reviewed and updated as necessary.

Outside the wire activities include: engagement with political and tribal leaders to promote peace and security; discussions with Afghan officials and local communities about development priorities; and monitoring of aid projects. The efforts of our civilian officers in Uruzgan are making a difference and represent an important part of Australia's overall contribution in the province.

Civilian movement 'outside the wire' in Uruzgan is carried out where it is deemed essential to the achievement of our policy objectives, including practical efforts to progress governance and development. All movement is approved by the senior ADF officer in Uruzgan on the recommendation of the civilian head of the PRT. A detailed risk assessment and mission planning exercise are carried out for each move, which take into account the security situation and current threat reporting.

Prior to being posted to Afghanistan, DFAT officers undertake a thorough program of security-related training. This program is delivered by both DFAT and the ADF and is designed to provide civilian officers with the training that will enable them to operate safely in the Afghanistan security environment. This training is kept under review and modified where necessary, with refresher training provided to staff while on posting.