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Swiss Cooperation Office Afghanistan

# **Swiss Cooperation Strategy Afghanistan 2019-2022**

## ***Concept Note***



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## 1. Background and Context

Over the past four decades, Afghanistan has been the scene of two protracted foreign military interventions and a civil war. The long period of armed conflict has taken a heavy toll on Afghanistan's institutions, created enormous human suffering and hindered its economic and social development. Today, Afghanistan is among the poorest countries in the world and highly fragile in all dimensions.

**Economic and Social Situation:** Afghanistan's economic foundations remain weak and the country is highly aid dependent, both for civilian and military expenditure. In 2017, foreign aid accounted for 66% of the national budget. There is a **marked downward trend in the amount of foreign aid**, which risks to negatively affect development investments in the country or even basic service delivery in the years to come. Despite considerable amounts of foreign aid, **poverty remains high**. Data from the recent Afghanistan Living Conditions Survey shows a sharp increase in poverty rates from 36.5% in 2011/12 to 54.5% in 2016/17, driven by insecurity, stagnating economic growth and a high age dependency ratio. Unemployment and underemployment currently stand at 24% and 20% respectively. Agriculture is the most important sector in terms of employment, with 40% of the working population either directly or indirectly engaged in it. Agriculture is mostly small scale with very limited market linkages. Low productivity and limited access to markets contribute to high levels of **food insecurity** with an estimated 44% of the population being affected. The high dependence on rain-fed agriculture and lack of adaptive skills make Afghanistan's agriculture vulnerable to weather, natural disasters and climate change. Education is an important foundation for economic development and one that is still severely lacking in Afghanistan. **Less than 50% of adult men and less than 20% of adult women can read and write**. By 2001, fewer than one million children were in school, almost none of them girls. Since then, this number has increased nine-fold and approximately 40% of enrolled students are girls. Nevertheless, enrolment remains low with an estimated 3.3 million children out of school, two thirds of them girls.

Social inequalities are manifold but dominated by two key aspects: the gender gap and the rural-urban divide. Afghanistan ranks low in the UNDP's Gender Inequality Index (154 out of 188 countries assessed) with high rates of maternal mortality and adolescent pregnancy and low education levels and labour force participation for women. Social norms dictate a strict **gender segregation** and sexual and gender-based violence is a pervasive problem. Surveys suggest that over 87% of Afghan women experience at least one form of physical, sexual or psychological violence during their lives. Inequalities between rural and urban areas are striking. With an estimated 73% of the population, rural Afghanistan has higher poverty rates, higher food insecurity, significantly lower literacy rates and less access to health and other basic services.

The humanitarian crisis in Afghanistan is one of the most complex protracted crises in the world. Humanitarian needs originating from conflict and displacement are increasing. With more than 1.7 million displaced people, the level of internal displacement is high. The situation has been exacerbated by high numbers of returns of refugees and undocumented Afghans (over 795'000 returns in 2016, and more than 380'000 in 2017). These **massive population movements** have put additional pressure on resources and overwhelmed services, which were already stretched thin and unable to fulfil basic human needs of the Afghan population. Most of the returnees and many of the internally displaced persons settle in urban areas, often in informal settlements that lack basic infrastructure. They are highly vulnerable and lack a social support system or network.

**Institutional Context:** The presidential election in 2014 failed to provide a clear result and after months of negotiations and tensions eventually resulted in a foreign-brokered and non-constitutional National Unity Government between the two frontrunners. This configuration further **undermined the weak legitimacy of the government** and provided fertile ground for new opposition movements. Power struggles within the National Unity Government also slowed down reform processes and resulted in frequent blockages. The parliamentary elections, scheduled for summer 2015, were postponed numerous times and are now planned for October 2018. Presidential elections should follow in 2019 and are likely to create disruptions of government activities during the campaign phase. They also bear the potential for civil unrest as results may be contested. Terrorist attacks on voter registration and polling centres or political gatherings will contribute to increased insecurity.

Persistently high corruption levels challenge the government's credibility and undermine its bureaucratic effectiveness. It also remains a major obstacle to the rule of law in Afghanistan, with allegations that judicial decisions are biased in favour of government and parliamentary officials, and police investigations are blocked by powerful figures. This is reflected in the prominence of customary justice, which is the most used dispute resolution mechanism. Four decades **of war have left profound effects** on the social fabric of the country and transformed the communities. The erosion of social structures profoundly affects the functioning of local governance mechanisms, notably those concerned with dispute resolution and the management of natural resources. Local grievances may then be exploited by conflict parties, thereby fuelling the war and driving fragility. The **human rights** situation in the country remains worrisome. Violations of international humanitarian law and human rights law are commonplace despite the government's political commitment to international frameworks. Civilian casualties and displacement remain high as a result of the ongoing conflict. The half-hearted efforts to initiate a peace process in 2015 and 2016 ended without results or even direct talks. However, in February 2018, the Afghan Government made a surprisingly clear and generous **offer to hold peace talks** with the Taliban. Efforts towards initiating a formal peace process are ongoing and prospects for direct talks are more promising than before.

**Security Conditions:** Insecurity and armed conflict are doubtlessly the most salient drivers of Afghanistan's fragility, not least because the conflict has been ongoing in one form or another for such a long time. The most recent phase of the armed conflict (since 2001) continues unabated. Persistent insecurity in various parts of the country undermines the legitimacy of the government, which is unable to fulfil its core functions. This crisis of confidence is exacerbated by **terrorist attacks in urban centres**.

**Outlook:** Afghanistan faces an uncertain outlook. It has to be assumed that conflict activity will remain high at least for the next few years. Insecurity will continue to negatively affect socioeconomic development, governance and human rights, while humanitarian needs will remain high. The upcoming parliamentary and presidential elections are likely to have a negative effect on political stability and security. The support from the international community remains crucial to safeguard development achievements and to sustain state institutions.

## **2. Swiss Foreign Policy Objectives and Contributions by Other Donors**

Switzerland's assistance to Afghanistan represents **a meaningful contribution to overcome fragility in the country**. Interventions are aligned with the OECD principles for good international engagement in fragile situations and contribute to the Peacebuilding and Statebuilding Goals defined in the New Deal for Building Peaceful States. As outlined in the Dispatch on International Cooperation 2017-2020, **poverty reduction** stands at the centre of bilateral Swiss development cooperation, while the core mandate of the Swiss Humanitarian Aid is to **save lives and alleviate suffering**. Swiss interventions in Afghanistan contribute to these overarching strategic goals. Unlike most other donors, the Swiss presence in Afghanistan is purely civilian and not perceived as politically motivated, giving Switzerland credibility and acceptance within the Afghan population as well as among the government and international actors.

Afghanistan is a signatory to the New Deal and a member of the g7+ group. The "Self-reliance through Mutual Accountability Framework" (SMAF) adopted in 2015, is the current compact between the Afghan Government and the international community. It reflects the peace and state building goals thematically and aims to facilitate Afghanistan's transition to self-reliance. The Afghan Government is assuming a stronger role in aid management, and pressure on donors to provide on-budget and discretionary funding has increased. Currently, more than 50% of development assistance is channelled through the national budget, however, implementation capacities on the government side are often weak resulting in delays and inefficiencies.

Switzerland's long-term partnerships and programmes constitute a distinctive added value in a context marked by short-term interventions and shifting priorities. Switzerland is also one of the few donors still connected to field realities through regular project visits, allowing it to make the link between local interventions and national policy dialogue and donor coordination. Among the international community, Switzerland is recognised for its technical capacities, its long-term approach and its field level experience. The Swiss Cooperation Office in Afghanistan is important for Switzerland's bilateral relations with Afghanistan and serves as the official Swiss representation in the country. In coordination with the Swiss Embassy in Islamabad, it assumes political and consular tasks.

At more than USD 4 billion per year, Afghanistan remains the largest recipient of official development assistance globally. However, this amount has **decreased markedly** (-18% between 2014 and 2016). Thirty-three bilateral and multilateral DAC donors allocated aid to Afghanistan in 2016, making Switzerland a relatively small donor in the Afghan context. Nevertheless, in all of its priority sectors, Switzerland ranks **among the ten largest bilateral donors**. Switzerland's engagement is closely coordinated with like-minded donors, particularly in the domains of rule of law and education.

## **3. Results Achieved (Swiss Cooperation Strategy 2015-2018)**

The Swiss Cooperation Strategy 2015-2018 aimed at sustaining and enhancing accountable institutions, thereby contributing to good governance, the respect of human rights and the rule of law and to promote inclusive and sustainable socioeconomic development. Switzerland strengthened the nexus between humanitarian aid and development cooperation to provide durable solutions and sustainably improve living conditions of vulnerable groups. Interventions were grouped under two domains, addressing both the governance and socioeconomic levels. Despite growing insecurity, numerous challenges to programme implementation and significant budget cuts (see also Resource Allocation), the portfolio has achieved positive results:

- Through support to community policing structures, public hearings and the development and implementation of provincial development plans, the population's **confidence in public institutions** at the subnational level has slightly increased (from 30 to 34%). In Afghanistan's centralised system, however, subnational institutions do not have any legislative or budgetary authority, limiting their scope of action.
- The Afghan Independent Human Rights Commission plays an essential role in **monitoring human rights issues** such as gender-based violence, torture and detention. Though still heavily dependent on international funding, an increasing part of the Commission's budget is now funded by the Afghan Government. Both the Commission and the Civil Society and Human Rights Network submitted shadow reports for the second periodic review under the Convention against Torture. The Human Rights Support Unit in the Ministry of Justice coordinated the inputs for the report submitted by the Government. As a result, the Afghan Government ratified the Optional Protocol to the Convention against Torture and adopted a new anti-torture law.

- The World Bank's Afghanistan Reconstruction Trust Fund (ARTF) through which Switzerland channels its on-budget support continues to fund a large part of Afghanistan's development budget. Its support for public financial management and civil service reforms has resulted in **higher domestic revenue collection** and improved government capacities.
- The Swiss-supported legal aid grants facility is a well-functioning mechanism **providing legal services** to women and vulnerable population groups in eight provinces. Fifteen courts dedicated to the implementation of the law for the Elimination of Violence against Women have been established and solve cases in accordance with human rights standards. The Human Rights Support Unit has been integrated as a directorate in the organisational structure of the Ministry of Justice and staff has been included in the national civil service scheme.
- In the education sector, emphasis was put on improving the quality of education in government schools, especially at the secondary level. Over 150'000 boys and girls benefitted from over 3'000 better trained teachers and better equipped schools. The teacher practicum and the gender and human rights course, developed under a Swiss-funded project, now form part of the national teacher education curriculum. Communities' and schools' perceptions of **service delivery by education authorities has improved significantly**. Nevertheless, enrolment numbers have not increased. Insecurity and displacement as well as increasing poverty rates are possible explanations.
- Livelihood projects reached over 200'000 people per year. Interventions targeting agriculture resulted in **higher and more stable yields** of staple crops, such as wheat and potatoes. Household nutrition has been improved through engaging women in vegetable, poultry, egg and dairy production. Over 2'000 ha of land have been protected and rehabilitated through **sustainable land management practices**. In 352 villages, newly established Natural Resource Management Committees and Watershed Associations now manage natural resources. Community-based natural resource management has contributed to **local conflict reduction and social cohesion**. At least 332'000 days of short-term employment ("cash for work") were created. While Swiss interventions remained constrained to very limited geographical areas, they were thematically broad which restricted their scale-up potential. The weak capacities of government agencies at the subnational level and their lack of autonomy to plan, budget and implement hindered a strong involvement in development projects. Nevertheless, new projects and phases put emphasis on including government agencies to the extent possible.
- Through long-term support to multilateral partners (UNHCR, WFP and ICRC) and the Common Humanitarian Fund, Switzerland contributed to the **provision of emergency assistance** to the most vulnerable, especially the displaced and returned populations. IOM and UNHCR with the support of Swiss funds provided post arrival assistance to returnees from Pakistan and Iran.

#### 4. Lessons Learned and Implications for the Swiss Cooperation Strategy 2019-2022

Fragility permeates all aspects of the Afghan context and is a complex and multidimensional challenge. Humility and realistic expectations are crucial for all development interventions, but even more so in fragile situations. Switzerland can only aspire to contribute to positive developments on a policy level and to mitigate the repercussions of conflict and fragility on the poorest through well-targeted and context-sensitive interventions. Switzerland will therefore continue to **combine a long-term vision with flexible programming**, while taking advantage of opportunities and investing in what has shown to be successful. Considering the main drivers of fragility (insecurity, weak state legitimacy, weak government institutions and high poverty levels), Swiss interventions will aim to strengthen national systems and institutions, while improving living conditions at the local level.

The thematic areas of intervention have proven relevant and will be maintained as they respond to the needs of the population and address key drivers of fragility. They are also in line with the priorities of the government and allow Switzerland to build on its experience and networks. Nevertheless, the internal mid-term review and the external evaluation of the Swiss Cooperation Strategy 2015-2018 identified the need for Switzerland to further sharpen its thematic focus. This implies a **stronger emphasis on specific niches** where Switzerland can make a difference and an adaptation of the domains of intervention. It is proposed to separate the previous cross-sectoral domain "Socioeconomic Development" into two thematic domains ("Agriculture and Natural Resource Management" and "Education"). The previous "Governance and Human Rights" domain will be refocused on "Rule of Law and Protection", integrating humanitarian and development aspects. In light of the fact that the government has not prioritised subnational governance during the last strategy period, it is suggested to phase out local governance programs and to integrate governance as a transversal theme in sectoral programmes. Gender issues require continued attention with realistic targets and context-sensitive approaches and gender will be maintained as a transversal theme.

Given Afghanistan's protracted crisis situation, humanitarian needs remain high requiring continued emergency assistance. Additional efforts are needed to better leverage synergies and complementarities between humanitarian aid and development interventions. The **nexus will be strengthened** both at an operational and strategic level. Humanitarian objectives and funding will form an integral part of the thematic domains.

## 5. Priorities, Objectives and Impact Hypotheses

Swiss development cooperation and humanitarian aid in Afghanistan are aligned with the national priorities as defined in the Afghanistan National Peace and Development Framework (2017-2021). The Afghan Government strives to increase its self-reliance and improve the welfare of its people by building economic foundations, reducing corruption, criminality and violence and strengthening the rule of law. Switzerland also contributes to the Sustainable Development Goals, in particular Goal 1 on ending poverty, Goal 2 on food security, Goal 4 on education, Goal 15 on sustainable natural resource management and Goal 16 on peace, justice and strong institutions. A strong link between the domains is the transversal theme governance. Its integration in sectoral projects of all three domains builds a solid basis for the Swiss position in promoting local and community-based governance in the policy dialogue with governmental entities at all levels, as well as with other donors.

**Overall goal: Switzerland contributes to reducing poverty, human suffering and loss of life in Afghanistan. Switzerland promotes social cohesion and a peaceful society with effective, accountable and inclusive institutions, so that all people are safe and live in dignity.** If Switzerland addresses interlinked dimensions of fragility, then it supports Afghanistan's pathways out of fragility and out of poverty. The focus in all thematic domains is on interventions which have the potential to create positive feedback effects and reduce fragility across multiple dimensions. Small improvements will mutually reinforce each other and gradually set in motion a virtuous circle of incremental change: if people are safe and their rights are protected, then they are able to invest in socioeconomic development, and if their socioeconomic conditions improve, then their participation in society is enhanced and factors pushing individuals to migrate<sup>1</sup> or to engage in armed conflict are reduced.

**Domain 1 – Rule of Law and Protection<sup>2</sup>:** Interventions in this domain focus on human rights and the rule of law. They mainly address the political and security dimensions of fragility and emphasise protection aspects. Interventions under this domain contribute to the objectives of the FDFA Human Rights Strategy 2016 – 2019. The domain goal is that Afghan citizens see their fundamental rights protected and their personal safety ensured. If Switzerland supports **access to quality justice services** and institutional reforms of the police and the judiciary, then their inclusiveness, transparency and **respect of human rights** will be enhanced and trust between the population and the Afghan Government will increase. If Switzerland contributes to **life-saving assistance** for people in need, then their fundamental rights are better protected and their access to basic services is improved. Switzerland will pursue its support to national human rights institutions and human rights defenders from civil society organisations. Particular emphasis will be placed on strengthening the linkages between formal and customary justice institutions. The contribution to life-saving assistance to displaced and returned populations through the main humanitarian agencies in the country will be continued. At the policy level, Switzerland will reinforce its advocacy for the protection and long-term reintegration of internally displaced persons and returning refugees as well as for improved access to people in need of assistance.

**Domain 2 – Agriculture and Natural Resource Management<sup>3</sup>:** Interventions in agriculture, rural development and natural resource management mainly address the economic, environmental and societal dimensions of fragility and emphasise inclusion. Given the high levels of poverty, especially in rural areas, the objective of this domain is that smallholder farmers **sustainably improve their livelihoods and enhance their resilience**. If Swiss interventions support smallholder farmers, strengthen public service delivery and promote sustainable natural resource management, then smallholder farmers will improve their productivity and income and reduce their vulnerability. The programme will continue to work directly with farmers at the local level, especially in remote and mountainous areas. Women will be involved to the extent possible in socially accepted activities. Switzerland will also strengthen its relationship with the Ministry of Agriculture, in particular the General Directorates for Natural Resource Management and Extension. Both entities play an active role in Swiss projects, which contributes to create stronger institutional capacities – especially at the subnational level – and facilitates the feedback of project experiences into policies.

**Domain 3 – Education<sup>4</sup>:** Interventions in education mainly address the economic and societal dimensions of fragility, with both protection and inclusion concerns represented. Considering the importance of education for social cohesion and economic development, the emphasis is on **increasing access and quality of education**. The goal is that girls and boys benefit from safe, equitable and relevant quality basic education. If Swiss interventions at the local level promote community involvement in education, then children will benefit from safe and conducive learning environment and their enrolment rates will increase. By supporting specific Education in Emergencies interventions, Switzerland helps conflict-affected children to access education and protection. If Swiss interventions collaborate with and strengthen the Ministry of Education at national and subnational level, in particular the academic supervision system, then schools and teachers receive guidance and support to improve the quality and relevance of education. In its policy dialogue at the national level, Switzerland advocates for improved linkages between alternative/ non-formal education and the formal school system.

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<sup>1</sup> See also annex 5 "Strategic link between international cooperation and migration in Afghanistan"

<sup>2</sup> Priority Theme: Peace, Conflict Prevention and Human Rights (South Coop.), Protection of Affected Population (Hum. Aid)

<sup>3</sup> Priority Theme: Food Security and Nutrition (South Coop.), Food Security/ Food Aid (Hum. Aid)

<sup>4</sup> Priority Theme: Basic Education and Vocational Skills Development (South Coop.), Other Themes (Hum. Aid)

## 6. Management of the Implementation of the Strategy

In its interventions in Afghanistan, Switzerland pursues context-sensitive and result-oriented development cooperation and humanitarian assistance. Three scenarios have been elaborated and are described in Annex 3. Taking into consideration the uncertainties of the context, a flexible modality mix will be maintained (mandates, contributions, secondments, multilateral and bilateral interventions). **Development and humanitarian instruments will be applied in a coherent and complementary way**, in which development instruments will focus on addressing structural challenges and humanitarian instruments will address crisis-specific challenges. Governance, especially local and community-based, remains an important crosscutting issue and will be integrated in sectoral projects. Experiences have shown the importance of embedding project interventions in the local context and aligning them with prevailing social norms. Introducing concepts perceived as externally imposed (e.g. gender equality) not only risks to undermine the project's acceptance, but will also have limited benefit and may even create negative backlash. While social norms should be challenged, this needs to be done in small incremental steps, with great sensitivity and modest expectations.

The high level of needs would certainly justify a more important engagement of SDC in Afghanistan. Humanitarian Aid funding will increase from CHF 7.5 million to CHF 9 million per year. There is also potential to scale up development interventions when additional funds from the South Cooperation become available. Following the commitment made by Switzerland in the 2012 Tokyo conference, it is proposed to continue on-budget funding through the World Bank's multi-donor trust fund at the current level (16% of annual development budget), but to acknowledge that the target of 50% on-budget funding is neither realistic nor desirable for Switzerland. While options for further on-budget funding are continuously explored, the added value of Switzerland as a relatively small donor is higher in piloting innovations and addressing neglected areas. Switzerland will continue engaging in coordination and policy dialogue fora to support the achievements of its strategic objectives and monitor the progress of the international compact (SMAF).

Taking into account that security conditions may change rapidly, vary locally and are difficult to predict, the **flexibility within projects is of particular importance** to allow adaptation. This includes adaptation of activities, modalities and work plans, temporary suspension or even a shift to different districts. The fragility of the Afghan context also requires flexibility in the geographic focus of interventions. The selection of target areas will consider various criteria: poverty levels, the security situation, government priorities, the availability of implementing partners, and the presence of other donors. For humanitarian aid, target areas will be defined according to prevailing needs of people affected by crisis. Switzerland will continue to support initiatives to enhance operational and physical access, so development and humanitarian actors can reach people in need even in areas outside of government control.

The operational realities of the Swiss Cooperation Office in Afghanistan also need to be taken into account in strategic planning. Recruiting and retaining qualified and experienced **human resources** (both Swiss and Afghan) will remain a particular challenge with implications for portfolio development and monitoring. The Head of Cooperation acts as the official Swiss representative in Afghanistan, with political and consular tasks constituting a considerable share of his/her workload. Security management requires dedicated resources and the expat security advisor plays a crucial role in gathering and analysing information through international networks, implementing and maintaining security systems and standard operating procedures for daily life in Kabul, as well as for field missions.

## 7. Strategic Steering and Risk Management

The multidimensional fragility in general and the armed conflict in particular pose considerable risks to development and humanitarian actors in Afghanistan. For Switzerland, security of staff and partners enjoys utmost priority. The Swiss Cooperation Office closely monitors the context and maintains a security information network with the support of an expat security advisor. In the most likely scenario, no significant improvements in the security situation are expected for the next four years. It is, however, probable that different fields of observation identified in the scenarios (see Annex 3) will evolve in different directions, resulting in "mixed scenarios". This underlines the need to **closely monitor development-relevant changes** and to flexibly adapt programming. Through the MERV, the Swiss Cooperation Office Afghanistan monitors the scenario indicators defined in Annex 3, allowing it to anticipate further changes that might require an adaptation of the programme (see Annex 4).

The high level of corruption in the country and the low financial management capacities of some implementing partners constitute a significant fiduciary risk. High importance will therefore continue to be attached to partner risk assessments and sound financial analysis. Regular monitoring visits of projects will continue – security permitting – and will be conducted jointly by programme and finance staff, where relevant. The annual report will be the basis for result monitoring and reporting. Monitoring development and humanitarian outcomes will remain a challenge. National-level data is often incomplete, outdated and of questionable reliability. Insecurity and social norms may impede direct access to beneficiaries, especially women. Qualified consultants for external reviews are often reluctant to work in remote rural areas. In response, the indicators in the draft Result Framework (see Annex 2) have been defined to ensure their measurability by project partners.