Reliable Partnership in Times of Change –

March 12 – 13, 2014 | Humboldt Carré | Berlin
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International Conference Documentation

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In March 2014, the Federal Ministry for Economic Cooperation and Development convened a two-day international conference to present its country strategy for cooperation with Afghanistan over the period 2014-2017. This strategy was discussed with the attendance of over 230 representatives of government, civil society and the research community from Germany, Afghanistan and around the world.

Panel discussions and interactive discussion forums addressed potential ways of implementing the strategy and current development policy prospects for Afghanistan post-2014. The discussion focussed in particular on the development policy priorities of good governance, sustainable economic development and employment, energy, drinking water supply and sewage disposal, and education. All discussions paid special attention to the issue of gender equality in Afghanistan.

Germany’s new country strategy strengthens its development policy engagement in Afghanistan and sets out the conceptual framework for German-Afghan development cooperation post-2014.

The international community will continue its engagement in Afghanistan after the International Security Assistance Force (ISAF) mission concludes at the end of 2014. In addition to the planned Resolute Support military training and advisory mission and the international financial support for Afghanistan’s security forces pledged at the 2012 Chicago Summit, it is also envisaged that development engagement with civil society will continue until at least 2024, based on the undertakings made at the 2012 Tokyo Conference. Future development cooperation has thus been explicitly designed to be a long-term project.

An accompanying poster exhibition was designed to recognise the commitment of non-governmental organisations (NGOs) and private actors in Afghanistan and showcase the wide range of support and cooperation initiatives that currently exist between Afghanistan and Germany.

Dr Gerd Müller, German Federal Minister for Economic Cooperation and Development; Dr Omar Zakhilwal, Minister of Finance, Afghanistan
Gender equality in Afghanistan – outcomes of the colloquium held on March 11, 2014

A colloquium on promoting gender equality in German-Afghan development cooperation was held at the Federal Ministry for Economic Cooperation and Development in Berlin on the day prior to the conference. Its outcomes were fed into the conference and will be taken into account in the implementation of the country strategy over the coming years.

Dr Sima Samar, Afghanistan’s first Minister of Women’s Affairs and winner of the Alternative Nobel Prize, paid tribute to the improvement in the situation of women in Afghanistan brought about by the efforts of both the government and the donor community. Women now hold positions in government, the media and the legal system. However, it is not yet possible to regard this process as irreversible. Moreover, the vast majority of women living in rural areas have yet to feel the full impact of these changes.

Samar: “We need the support of the international community in order to guarantee the safety of women in Afghanistan.”

Pamela F. Husain, UN Women’s Deputy Country Representative in Afghanistan, reminded delegates that focus should not be solely on women’s rights as the rights of all Afghans have been violated or ignored. By meeting the basic needs of all Afghans, in terms of food, shelter, education and access to economic and political participation, we promote women’s rights. Poverty as a root cause of social imbalances, such as gender inequality, must be addressed holistically. It became clear during the discussions that men and boys must also be engaged in any social reform, such as gender equality.

The panel discussions and working groups allowed participants to evaluate development cooperation initiatives and identify approaches that could help strengthen gender equality in the priority areas of good governance and economic development and employment. The point was made that “gender is not a project, it is a process.”

The colloquium was accompanied by a side event on women’s rights in Germany. A delegation of Afghan women and men met with the German Bundestag’s Committee on Economic Cooperation and Development and the German Women’s Security Council.
On March 12, Dr Gerd Müller, the Federal Minister for Economic Cooperation and Development, presented Germany’s country strategy for Afghanistan for the period 2014 – 2017. In the presence of Dr Omar Zakhilwal, the Afghan Minister of Finance, he outlined the key points of the new country strategy and described both the successes of German-Afghan cooperation and the challenges that still remain.

Minister Müller began by highlighting the good relations that Germany has enjoyed with Afghanistan over many years and the significant improvements achieved in the country since development cooperation with Afghanistan was resumed in 2002. By way of example, the percentage of the population with access to basic medical care has risen from 8 to 80 per cent. While only around a million boys attended school in 2002, some 9 million boys and girls are enrolled today, 45 per cent of them girls. Minister Zakhilwal touched upon Afghanistan’s past achievements in areas of health, education, good governance, public finance management, private sector development, democracy and institutional building and emphasized Germany’s continued support to Afghanistan in the decade of transformation. He further agreed with Minister Müller’s assessment – average incomes are now five times higher than in 2002. Meanwhile, the number of students in Afghanistan has risen from one million to ten million, four million of whom are women.

Dr Zakhilwal added that, while average life expectancy stood at 43 in 2002, it is now over 60. Furthermore, there are now 18 million mobile phones in Afghanistan, people use Facebook to discuss the country’s problems and the influence of the burgeoning media landscape has increased substantially.

Ministers Müller and Zakhilwal agreed on the need for far-reaching reforms to ensure that this positive trend continues. Germany’s financial support for Afghanistan of up to 430 million Euros a year will be tied to continuing progress in implementing reforms agreed within the TMAF. Particular attention should be given, according to Minister Müller, to strengthening oversight mechanisms and gender equality. Minister Zakhilwal stressed the alignment of expectations of both Germany and the international community as a whole with the goals of the Afghan government, and thanked Germany for its long-standing support.
Minister Müller also emphasised that a turning point has been reached in Germany’s partnership with Afghanistan. Now private investors should increasingly take over from public donors in creating jobs and driving the country’s development. He was critical of the over-cautious attitude of German business towards investing in Afghanistan. In this context, Minister Müller thanked the staff of Germany’s development organisations and the German armed forces for the support they have provided to civilian aid workers.

Dr. Gerd Müller, Federal Minister for Economic Cooperation and Development:

"I would like to express my thanks to the civilian development experts who are doing an outstanding job with their Afghan partners."

Afghan Finance Minister Zakhilwal concluded with a sincere appreciation of the German government and taxpayers for their long-standing and continued support for the economic development and reconstruction of Afghanistan.

The subsequent panel discussion focused on the twin issues of security and the willingness to introduce reforms. Dr Sima Samar, the Chair of the Afghanistan Independent Human Rights Commission and winner of the Alternative Nobel Prize, described the current security situation in Afghanistan as good. There has been a marked improvement in the protection provided by the police force and the Afghan armed forces compared to 2002. However, this does not mean that the people of Afghanistan no longer need to be protected by the international community.

Stefan Mair, an Executive Board Member of the Federation of German Industries (BDI), noted that companies investing in Afghanistan must also be guaranteed legal certainty in addition to physical security. Currently, this is not sufficiently the case, which explains why German businesses are reluctant to invest. Afghanistan also needs vocational education and training if it is to promote investment and employment.

Haqjo: "Please replace your soldiers with your businesses!"

Finance Minister Zakhilwal pointed out that a number of investment incentives have already been introduced and further reforms are planned. He also mentioned the growing desire to bring...
about change on the part of a critical mass of young Afghan men and women. These change agents will shape the future of the new Afghan institutions. Martin Jäger, the German Ambassador in Kabul, said that his confidence in Afghanistan’s institutions has grown over the past few years, although he still believed it was necessary to continue the fight against corruption. These new Afghan institutions are the reason why the Taliban have failed to achieve any lasting successes in Afghanistan since the collapse of their regime twelve years ago.

This is especially important in view of the situation of women in Afghanistan. Nargis Nehan, Executive Director of the NGO Equality for Peace and Democracy, reported on the previous day’s colloquium and presented recommendations to development policy. Furthermore, if women are to be involved in the security transition, it was seen to be essential to have a publicly accessible implementation process for the measures agreed in Chicago, similar to the process for implementing the undertakings made at the Tokyo Conference.

Development cooperation recommendations geared towards promoting gender equality:

- Gender equality is a process, not a project;
- Systematic resistance requires systematic strategies;
- There is a need for a more coherent approach to gender politics: more indicators for measuring the effectiveness of development programs and the participation of women;
- Gender policies need to be Afghan-led, a broad-based dialogue is needed within Afghanistan;
- Gender equality is a process of social change that will take time to achieve. It is important to ensure that expectations are realistic.

The results and topics of the first conference day have been summarised by an illustrator.
The second day of the conference was primarily given over to discussing the content of the new country strategy for Afghanistan and the issues associated with its implementation. Dr Uta Böllhoff, Director-General at the BMZ, described the strategy’s five key pillars. In terms of good governance, existing laws must be enforced and corruption combated. Employment opportunities need to be created for the 400,000 young people who come onto the national labour market each year. Women’s rights need to be strengthened and secured. Finally, German development cooperation needs to do more work in rural areas. Overall development cooperation efforts need to be closely coordinated among the international community and also require targeted cooperation with civil society and the private sector.

Böllhoff: “While we will provide support to the whole country, the North will be a priority.”

Nader Nadery, Director of the Afghanistan Research and Evaluation Unit, presented an assessment of the current situation from the Afghan perspective. A number of momentous changes have occurred since 2002 and an inexorable cultural transformation is sweeping across the entire country. This can be seen in the fact that the government can now collect taxes throughout the country, there is a diverse media landscape that has taken up the cause of fighting corruption and women are now politically able to oppose those laws that discriminate against them. All of this would have been barely conceivable just ten years ago. Although there is uncertainty about what will happen after the presidential election in early April, it is significant that the vast majority of the population is now in favour of the election and wishes to take part in it.

Recommendations for the implementation of the country strategy:

- needs-based approach taking into account social context, particularly with regard to the inclusion of the rural population;
- compliance with aid effectiveness agreements considering assumption of responsibility of the Afghan people themselves;
- inclusion of civil society while at the same time focusing on building State structures.

Professor Christoph Zürcher of the University of Ottawa expanded on Mr Nadery’s review of the current situation, drawing on the findings of a study carried out over several years. Since 2007, Zürcher and his team have been conducting biannual surveys in 120 communities in northern Afghanistan in which they ask the local population about their perception of the impact of development cooperation.

The key findings are as follows:

- while people’s sense of security declined between 2007 and 2011, it has increased again since 2011;
- there is a high level of confidence in the Afghan security forces in the north of the country;
- the overwhelming majority of people who participated in the survey believe that subnational structures have been strengthened and that the economic situation of families has also improved;
- international support and its specific impact on everyday life are perceived in a fundamentally positive light by the population. Nevertheless, general scepticism about Western values is also growing. Certain sectors of the rural population perceive the rapid pace of change and the presence of Western actors as a threat to their cultural values.

In order to counter this trend, Professor Zürcher recommended that aid organisations should act in a context-sensitive and discreet manner and cooperate more closely with local institutions.
The introductory speeches were followed by four panel discussions that addressed the key challenges facing the new country strategy and Afghanistan’s future development.

The first panel focused on issues relating to the **rule of law, anti-corruption policy and the promotion of women’s rights**. These are some of the key challenges to the country’s future development and the Afghan people’s prospects. The Afghan State needs to provide its own people with proof of its legitimacy. Moreover, the international community has made its support conditional upon progress in the key areas of the rule of law, accountability and respect for human rights, in particular women’s rights. The outcomes of the discussion were as follows:

- there was a consensus that conditionality and the fight against corruption should be discussed openly and that donors should coordinate their positions more strongly. Since the political will to strengthen the rule of law effectively is often lacking, conditionality should be welcomed as a means of generating this will. Nonetheless, the donor community should play a merely supporting role – the process should be led by the Afghan government;
- furthermore, within society there are different understandings of what is meant by the rule of law and legality. There is a need for public awareness projects to inform the public, provide training for the relevant government officials and promote checks and balances;
- work is required at different administrative levels to develop the legal system. Rural areas, in particular, often lack effective institutions and end up resorting to informal methods of administering justice.
- the panellists also agreed that the international community must continue to support Afghan civil society so that it can act as an agent of change by actively holding the Afghan State to account and demanding that it respects people’s rights, as well as by playing a greater role in political decision-making processes.

The second panel addressed the question of how to improve the living conditions of the Afghan people through **sustainable economic development and employment promotion**. At present, the Afghan economy is on hold. People are reluctant to invest, start-up numbers and trade with the West are in decline and capital is flowing out of the country. This has caused economic growth to plummet from 14 per cent in 2012 to just 3 per cent in 2013. Business blames this weak investment climate primarily on the troop drawdown at the end of the ISAF mission and the precarious security situation in some regions. Further challenges include competition from other investment locations, continued shortcomings in the country’s infrastructure and insufficient access to formal financial services. In general terms, it is important to tackle the twin problems of poverty and the danger of young people being recruited by extremist groups. Afghanistan cannot afford to miss out on the economic potential offered by women. Measures to promote economic growth and employment should therefore include actions targeted specifically at women. Other outcomes of the discussion were as follows:
there was widespread agreement about the importance of creating the right conditions for private investment and international and regional trade. These should include improvements to the country’s infrastructure, financial market regulation, the establishment of a reliable legal framework, accountability, transparency and measures to reduce bureaucracy;

while securing a stable security situation in both Afghanistan and its neighbours should remain a priority for the country’s government, economic development and the creation of new employment opportunities can also contribute to this stabilisation. Successful businessmen and, in particular, businesswomen can act as inspirational role models in this regard;

several participants emphasised the need to strengthen the private sector, particularly in rural areas, through, for example, Public Private Partnerships or microfinance projects. Vocational education and training provision must also be enhanced ensuring that it is geared towards the needs of different local markets and businesses in the country’s key industries.

The third panel discussion addressed the challenges relating to state and institution building at national and subnational levels and the associated issues of the acceptance, legitimacy and visibility of the State. Strengthening effective and legitimate State structures at both national and sub-national levels is a key element of the German government’s commitment. As Afghanistan enters its “transformation decade”, the country’s government is facing even greater challenges than before. At the same time, it is proving a laborious and complex process to share out the relevant powers effectively between the different levels of government.
• All of the speakers stressed the key role of institutions at the sub-national level. It is essential to have checks and balances, particularly at the sub-national level, to ensure the transparency and accountability of the Afghan government. Civil society has an important part to play in this regard. Crucially, the government will have to cooperate with NGOs at the regional and local levels in order to create win-win situations.

• Sub-national government institutions are important points of contact for the Afghan people. Their role should be to identify local needs and help meet them through specific projects. Initiatives to train and empower government officials should therefore focus more strongly on the sub-national levels, as is already the case in, for example, the National Solidarity Programme.

• It is also possible to make an effective contribution to combating the insurgency by increasing the legitimacy and visibility of government and facilitating political participation at local level.

The fourth panel focused on the challenges and opportunities associated with the provision of basic social services and infrastructure by the Afghan government. The modernisation and construction of infrastructure is still fraught with difficulty, especially in rural areas. German-Afghan development cooperation supports infrastructure projects, particularly in the energy and water sectors. However, rather than limiting itself to building new infrastructure, it is also working to strengthen the Afghan administrative structures that deliver these services. Development cooperation initiatives are, for example, promoting the establishment of municipal utility companies such as the Afghan Urban Water Supply and Sewerage Corporation (AUWSSC), as well as providing advice to the Afghan authorities in this area. The National Solidarity Programme has played a key role in ensuring that these initiatives also reach the rural population. Since 2003, it has promoted community empowerment and access to financial resources with a view to improving socio-economic conditions and strengthening local governance in rural areas.

• As far as basic infrastructure provision is concerned, a number of technical and financial problems remain. Whilst the maintenance of existing infrastructure calls for Afghan ownership and manpower, the necessary capacities and competences are frequently lacking. Indeed, operation and maintenance are often even more problematic than the building of new infrastructure.

• At the same time, coordination of the initiatives instigated by different donors must be improved and the construction of duplicate infrastructures at national and sub-national levels prevented. It was also mentioned that more should be done to include the contributions of NGOs.

• The speakers also emphasised the importance of managing expectations both internationally and within Afghanistan, in order to prevent people from having unrealistic hopes and subsequently feeling frustrated.
The conference concluded with a discussion of potential ways of taking things forward after troop drawdown at the end of the ISAF mission. In response to Professor Zürcher’s claim that development cooperation is sometimes seen as a threat to local culture, Tariq Ismati, the Afghan Deputy Minister for Programmes at MRRD, said that, to the contrary, he actually sees this as positive. Agents of change must teach people to think positively and try to manage their expectations.

Ismati: “While many Afghans may feel threatened by cultural change, it remains necessary, inevitable and politically desirable. Culture needs to be defined without undermining the role of development. Change as a result of development in Afghanistan is certainly positive as it increases livelihood opportunities and improves Afghan citizens’ access to services.”

Parliamentary State Secretary Thomas Silberhorn believed that the upcoming presidential election could mark a turning point in the future of Afghanistan. A positive outcome could lead to a significant increase in the relative importance attached by the public to development, compared to the issue of security which has hitherto dominated the agenda. Mr Silberhorn emphasised that Germany is committed to continuing its reliable partnership with Afghanistan and to contributing to the country’s security by helping to improve living conditions. Philipp Ackermann, Head of Task Force Afghanistan-Pakistan at the Federal Foreign Office, joined with the Parliamentary State Secretary in highlighting the progress that has already been made and hoped that a new generation of Afghan politicians will act as constructive drivers of change and development. Mr Ackermann also pointed out that some temporary difficulties should be expected with regard to security and economic development. In both cases, everyone will have to work together to tackle the inevitable repercussions arising from the withdrawal of the ISAF forces.

Mathias Mogge, Member of the Executive Committee of Verband Entwicklungspolitik deutscher Nichtregierungsorganisationen (VENRO), welcomed the BMZ’s country strategy on behalf of the German NGOs in Afghanistan that are members of VENRO. He called for greater inclusion of both the Afghan and international civil society. He also highlighted the role played by NGOs in providing support to the poorest and most marginalised sectors of Afghan society. He stressed that this work should not fall victim to a clamour for reform or the conditions attached to financial support.

Parliamentary State Secretary Silberhorn drew the conference to a close by reiterating its two take-home messages:

- provided that the security situation is stabilised and the government pushes ahead with the necessary reforms, Germany will continue to act as a reliable partner to Afghanistan, assisting its civil reconstruction and development.
- The focus of the country strategy is on the needs of the men and women living in Afghanistan and the importance of reaching rural areas.
Annex

Programme, March 12 and 13, 2014

PRESENTATION OF THE NEW COUNTRY STRATEGY FOR AFGHANISTAN

12 March 2014 | Humboldt Carré in Berlin

The conference languages are German and English. A simultaneous translation service will be provided.

As of 3 pm

Registration

Poster exhibition of showcasing governmental and non-governmental contributions to Afghan-German development cooperation

4 pm

Welcoming, Facilitator Dr Frank Capellan, Deutschlandfunk

4.10 pm

Dr Gerd Müller, German Federal Minister for Economic Cooperation and Development

4.30 pm

Afghanistan’s path towards self-reliance and the contribution of Afghan-German development cooperation
H.E. Dr Omar Zakhilwal, Minister of Finance, Afghanistan

4.50 pm

PANEL DISCUSSION WITH

- H.E. Martin Jäger, Ambassador of the Federal Republic of Germany in Afghanistan
- Dr Friedrich Kitschelt, State Secretary of the Federal Ministry for Economic Cooperation and Development (BMZ)
- Dr Stefan Mair, Member of the Executive Board, Federation of German Industries (BDI)
- Dr Sima Samar, Chairperson, Afghanistan Independent Human Rights Commission (AIHRC)
- H.E. Dr Omar Zakhilwal, Minister of Finance, Afghanistan

Discussion with the audience

6.30 pm

Evening reception
CONFERENCE ON THE IMPLEMENTATION OF THE NEW COUNTRY STRATEGY FOR AFGHANISTAN

13 March 2014 | Humboldt Carré in Berlin

The conference language is English.

As of 8 am

Registration and welcome coffee
Poster exhibition continues

9.30 am

Opening. Facilitator Dr Frank Capellan, Deutschlandfunk

9.45 am

Introduction to the Country Strategy for Afghanistan
Dr Uta Böllhoff, Director-General, Europe, Middle East and Asia; multilateral development policy, German Federal Ministry for Economic Cooperation and Development (BMZ)

10 am

Central challenges for development in Afghanistan
Nader Nadery, Director, Afghanistan Research and Evaluation Unit (AREU)

Relevance of Afghan-German development cooperation – perception of the Afghan people
Prof Dr Christoph Zürcher, Professor at the Graduate School for Public and International Affairs, University of Ottawa

10.45 am Coffee break

11.15 am

PARALLEL PANEL DISCUSSIONS

PANEL 1
Rule of law, anti-corruption policy and promotion of women’s rights
- Joost Andriessen, Director Stabilisation and Humanitarian Aid Department, Ministry of Foreign Affairs, The Netherlands
- Nargis Nehan, Executive Director, Equality for Peace and Democracy, Afghanistan
- Peter Palesch, Country Director Afghanistan, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- Adrienne Woltersdorf, Resident Representative of the Friedrich-Ebert-Stiftung (FES) in Afghanistan
- Zulfiqar Zalmi, Vice-President, Afghanistan Independent Bar Association (AIBA)
PANEL 2

**Improving living conditions by means of sustainable economic development and employment promotion**

- **Dr Uta Böllhoff**, Director-General, Europe, Middle East and Asia; multilateral development policy, German Federal Ministry for Economic Cooperation and Development (BMZ)
- **Mohammad Qurban Haqjo**, Chief Executive Officer, Afghan Chamber of Commerce and Industries (ACCI)
- **H.E. Asif Nang**, Deputy Minister of Technical Vocation and Educational Training, Afghanistan
- **Claudia Nassif**, Senior Country Economist, World Bank
- **H.E. Mozammil Shinwari**, Deputy Minister of Trade, Ministry of Commerce and Industries, Afghanistan
- **Hassina Syed**, President, The Syed Group of Companies, Afghanistan

12.45 pm Lunch break

2 pm PARALLEL PANEL DISCUSSIONS

PANEL 3

**State and institution building: Challenges at the national and subnational level – acceptance, legitimacy and visibility of the state**

- **Masood Karokhail**, Director, The Liaison Office, Afghanistan
- **Dirk Meganck**, Director, Asia, Central Asia, Middle East/Gulf and Pacific, Directorate General for Development and Cooperation – EuropeAid, Brussels
- **Dr Stefan Oswald**, Head of Division, Afghanistan; Pakistan, German Federal Ministry for Economic Cooperation and Development (BMZ)
- **H.E. Shafiq Ahmad Qarizada**, Deputy Minister for Policy, Ministry of Finance, Afghanistan
PANEL 4

Supporting social basic infrastructure – opportunities and challenges

- **Dad Mohammad Baheer**, General Director, Afghan Urban Water Supply and Sewerage Corporation (AUWSSC)
- **Dr Solveig Buhl**, Principal Country Manager Afghanistan, KfW Development Bank, Germany
- **H.E. Tariq Ismati**, Deputy Minister for Programmes, Ministry of Rural Rehabilitation and Development, Afghanistan
- **Klaus Lohmann**, Country Director Afghanistan, Deutsche Welthungerhilfe
- **Loren O. Stoddard**, Senior Development Officer, US Agency for International Development (USAID) Afghanistan

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3.30 pm  Coffee break

4 pm  Summary of the panel discussions by the facilitators

4.15 pm  Challenges facing Afghanistan after 2014

- **Dr Philipp Ackermann**, Head of Task Force Afghanistan–Pakistan, Federal Foreign Office, Germany
- **H.E. Tariq Ismati**, Deputy Minister for Programmes, Ministry of Rural Rehabilitation and Development, Afghanistan
- **Mathias Mogge**, Member of the Executive Committee, Verband Entwicklungspolitik deutscher Nichtregierungsorganisationen (VENRO) e.V., Germany
- **Thomas Silberhorn**, Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development

5.45 pm  Perspectives – the country strategy and the challenges ahead and closing remarks

- **Thomas Silberhorn**, Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development

6 pm  Reception