



International Development Committee

Sub-Committee on the Work of the Independent Commission for Aid Impact

Oral evidence: DFID's Bilateral Support to Growth and Livelihoods in Afghanistan, HC 1214 Wednesday 9 April 2014

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Members present: Fabian Hamilton (Chair); Sir Malcolm Bruce; Jeremy Lefroy; Fiona O'Donnell

Questions 1-60

Witnesses: Graham Ward CBE, Chief Commissioner, Independent Commission for Aid Impact, Alexandra Cran-McGreehin, Head of Secretariat, ICAI, and David Brown, Team Leader, ICAI, gave evidence

Q1 Chair: Good morning everybody and welcome to the International Development Committee Sub-Committee on the work of ICAI. Before we start, I wonder whether you could all introduce yourselves, and if you want to say a few words of introduction, please do.

Graham Ward: Thank you, Chairman. My name is Graham Ward. I am the Chief Commissioner for the Independent Commission for Aid Impact.

Alexandra Cran-McGreehin: I am Alexandra Cran-McGreehin, Head of the ICAI Secretariat.

David Brown: I am David Brown. I was the team leader of the Afghanistan project.

Q2 Chair: Good morning, ladies and gentlemen, and thank you for coming this morning. We are looking at your report on UK support to growth in Afghanistan. Your evaluation concluded that unless the management of projects was significantly improved, spending in Afghanistan would do little to reduce poverty. How confident are you that the department definitely merited a red-amber rather than a plain red rating?

Graham Ward: I would start off by recording that clearly Afghanistan is one of the most difficult places in which to deliver aid. We would like to recognise formally in this meeting that DFID's staff there behave with courage. They work very hard and the conditions are very demanding.

The projects that we reviewed we found, by and large, were pretty well delivered, although there were mixed results from project to project. In general, we found that the more ambitious and multi-faceted a project was, the less successful they were compared with projects with a more limited scope and that were more straightforward to implement. We did find, from our fieldwork, which was pretty extensive—and we did get our team out and about into the villages—that a positive difference was being made in many cases to the livelihoods of intended beneficiaries. The source of the doubts that we had was largely bedded in how sustainable the results would be in the longer term.

We felt, overall, that there was a mixture here of good and bad news, but, as you will have seen from our recommendations, there was a need to really improve the management of the programme in order to get the best out of it for the intended beneficiaries in Afghanistan. That is why we have the amber-red rating that we gave overall.

Q3 Chair: What key problems would you point to within DFID's approach? How specifically do you think DFID's planning and strategy could be improved in Afghanistan?

Graham Ward: You will recall from an earlier report that we did in relation to Afghanistan that we were concerned about the degree of planning forward through the military drawdown. That has started following our recommendation, and indeed it was acknowledged by DFID people in Afghanistan that the recommendation was a reason why they had started doing that. However it has only just started. They have had some workshops in the area of their headquarters, but there is still quite a lot of work to do in terms of going out and meeting intended beneficiaries in order to really tie down what are going to be the best things that it is necessary to do. That is certainly a cause of difficulty.

There is uncertainty over what the security situation will be once the drawdown is complete. We believe that means adopting a scenario-planning approach is a sensible thing for them to do. Working in those circumstances inevitably is going to be quite complex, so we think some really detailed planning, looking at what situations might arise and what actions it would be necessary to take as a result of that, is also going to be necessary. David, you were actually out there. May I pass to David for some more insight on my question?

David Brown: There are two things I would like to add. At the top level and the project levels, I would like to disaggregate two types of strategy. At the top level, DFID could, as you said, have started earlier and been more comprehensive. For the future it would be useful if the overall strategy had more coherence from a clearly defined goal that is mapped on to specific projects. In places, we found it difficult to locate back in the original strategy why certain projects existed in the form that they did. The paper trail from the top to the bottom was often missing.

On specific projects, to prepare better for the future, it would be useful for DFID to be clear about what a project would need to do under different circumstances in the future and, therefore, take a scenario-based approach, "If this happens, the project will do this." It is very simplistic, but very useful. That would require building in break points, review points and ways to assess whether or not the project is performing relative to the conditions it finds itself in. Both at the overall level and the specific project-design level, there could be improvements.

Q4 Jeremy Lefroy: You found that DFID's ability to measure results was weak, which we find rather surprising given DFID's long experience and expertise in this. How do you believe that DFID can plan for the future, if that is the case, and how can it improve its monitoring?

Graham Ward: I will start that and then David will fill in in more detail. The measurement of results being weak, is due, in part, to a lack of data in terms of a baseline, so knowing from where they were starting. That is a clear barrier in terms of measuring results effectively.

We also found that DFID really have not been going out themselves into the villages to meet individual intended beneficiaries in order to find out what the effect and the impact of their programmes has been on those individuals. That is something we were able to organise for our visit, and David can explain in a little bit more detail in a moment how it was that that came about.

It is also probably worth mentioning, in terms of context, that DFID is in the same boat as nearly all of the other international aid agencies, and, while our team was there, they found that none of the agencies was in a position to offer proper measurement of results in the sort of way that you indicate we would normally come to expect.

Q5 Jeremy Lefroy: Has that anything to do with the levels of personal risk that people are allowed to take if they are, for instance, employed by DFID and they therefore come under British FCO guidelines? We found it was very difficult; when we visited Bamiyan, we were not allowed outside the New Zealand army base there because of very strict British Government guidelines, which did not seem to apply to a lot of other people. That affected our ability to monitor or at least to have a view on what was going on. Is that one of the problems?

Graham Ward: That does certainly affect who is able to go away from the main bases and out into the villages. One way we addressed that was to subcontract that type of research to local people who were able to go out. We were even fortunate in being able to identify two very brave women who were able to go out and interview women in villages to establish how the different programmes were affecting their livelihoods. David actually dealt with the practicalities of how we were able to do that. Would you like to fill in a little bit more, David?

David Brown: We hired a local contractor, and my response on the risk would be, no, it would not increase DFID's exposure to risk. If anything it would reduce it, because you would use capable, independent, local contractors who could do this work for you.

As an aside on how we did the fieldwork, we identified and randomised certain villages we would want to go to. We had very clear questionnaires that we designed in partnership with the team. We spent a few days training with the people who would go out and take the interviews. The interviews themselves were a range of types. We had one-on-one interviews, particularly with village chiefs; we had focus-group interviews with a mixture of men and sometimes women; and we had female-only interviews as well.

We also went out of our way to try to track down certain individuals, particularly in Helmand, who we were not able to access. As with you, we were not allowed to leave

Lashkar Gah base. Therefore, we contracted one additional Afghani consultant who interviewed people such as the state governor and people in the state ministries as well.

Shall I go back and answer your original question?

Q6 Jeremy Lefroy: Can I just ask one follow-up, with your permission, Chairman, on that? This relates more to your work than to DFID's work. Has your experience in Afghanistan given you, perhaps, a way forward in the kind of work that you would do in future to assess DFID's ability to monitor? It seems to me that you have taken quite a lot of initiative to really drill down into DFID's work—something that perhaps we were not seeing earlier on in ICAI's work, say a couple of years ago. Is this an example of how you have been learning from the work that you have been doing? I know it is slightly off track, but I think it is very important that we understand ICAI is learning from its experience about how to do the work on the ground in very fragile situations.

Graham Ward: You are absolutely right; we have been learning from our experience. We have been taking a much more hands-on attitude as far as the commissioners themselves are concerned in going out with teams to interview people. It has become pretty well standard now that that should be done, where it can be done. We have learnt much more how to use the sort of local organisations to which David referred just now, and to manage them and to combine with them in order to get the best picture of what it is that is going on. So, yes, there definitely has been a learning experience, and you will remember, perhaps, from my pre-appointment hearing, I did admit that I had not done this sort of thing personally before in quite this way and I would hope to learn. Hopefully this helps to demonstrate that this has taken place.

David, are there any other points you would like to add on the lessons from this going forward?

David Brown: Yes, and I would like to go back and address your overall question on how to measure results in the future. I think there are two areas we found most concerning. One was, at the highest level—the impact level—which projects are supposed to contribute to, not solely aim for. My overall message there is that DFID should not set themselves up to fail. In many projects they set almost impossible-to-achieve targets—impossible for two reasons: one, the individual project's impact upon them would have been very small and hard to detect, so attribution from a specific project would be really hard; the second is, as Graham mentioned, the lack of data. Data in Afghanistan are problematic. Two projects tried to use GDP as a measure. We know GDP, for example, in Afghanistan is pretty flawed and there is a huge range of measures out there.

At a lower down level, on the monitoring itself, there are two important things that they need to do: one is to ensure that their measurements are independent. A lot of the data for the projects were coming from the contractors often who were delivering the project. I am not saying they had any incentive to provide false information, but you are not certain that it is accurate until it is independently verified, and very few projects had that.

The second is that you pick something that is measurable and measurable in easier ways. It is more than capable that independent contractors could do some of this monitoring. Indeed, other donors are doing very similar things, and it seems from the recommendations that DFID is thinking about this seriously. Another avenue is technology, where certain

donors—particularly the USA—are using more sophisticated ways of gathering data using satellite information, perhaps with photography, in particular for looking at the conditions of roads or fields that are growing, and handheld devices which can also provide information quickly.

Q7 Jeremy Lefroy: Your report says that the military drawdown this year gives DFID the chance to refocus its strategy solely on poverty reduction. Does this mean, therefore, you think DFID should abandon its objective of creating a viable state in Afghanistan? I would have to qualify that by saying that this is a Conflict Pool strategy, which combines the Foreign Office and the Ministry of Defence, rather than DFID alone, and therefore for DFID to have a single strategy, irrespective of the defence and foreign policy aspect, seems not to be possible. Given that, do you think that a strategy based purely or mainly on poverty reduction is now what is needed in Afghanistan?

Graham Ward: Yes, we would say that is what is needed. Indeed, without the presence of the other components to which you referred just now, it is very difficult to have that holistic objective with any realistic expectation that it can be met. Development aid, of itself, will not create a viable state. Clearly there are going to be continuing security issues in Afghanistan, which will have to be dealt with by the Afghan Government, together with any other allies that that Government chooses to bring into place to advise or otherwise to help it. However, we believe that there is a very important component of creating a viable state, which is the successful implementation of the sort of aid projects that DFID is able to implement.

Q8 Jeremy Lefroy: So would you be worried about this view of a viable state, on which DFID leads in the UK National Security Council, rather falling apart at the time when perhaps it is most necessary, because of almost a technical consideration that there will no longer be UK forces on the ground there and, therefore, the defence component is not relevant?

Graham Ward: I will ask David to share his insights from being there, but I would say that falling apart is rather strongly expressing what is there. Clearly it is tougher in those circumstances, and whatever one does to develop sound livelihoods does depend on the security of people, and particularly on the people's sense of security; how in their own minds it is worthwhile to invest in their future and invest in infrastructure for their future. If they believe the security situation is a risk, it must diminish one's confidence in terms of future progress.

David Brown: My simple answer is no; I would not be that worried for the following reasons. Focusing on poverty does not mean abandoning the state. It is important to think about what DFID does there through three lenses.

The first is the type of project that it does; it is undoubtedly true that certain governance interventions do have a poverty impact. If you can deliver hand-in-hand with a state government or even the central government, the likelihood that poverty will be reduced is often higher.

The second is location, so the poverty focus in the future in many of the discussions we had with DFID was about moving to places where poverty rates are higher, so particularly

a movement from Helmand, which is one of the least poor areas of Afghanistan, to poorer areas. That also does not mean abandoning the viable state.

The third is about the method by which DFID does its interventions. If the situation gets worse security wise, which then begs the question, “How much can you do to improve a viable state?” then delivery through either—at the extreme end—using more humanitarian aid or perhaps just more use of local NGOs and such would be a different way of delivering the aid.

Q9 Jeremy Lefroy: Finally, we have already considered the question of the risks of potential instability after the drawdown, but of the projects you were able to review, very little planning had yet taken place to test projects against likely future scenarios. What do you believe DFID should be doing to remedy this? David, to some extent you have answered that in what you said previously, but is there anything you would like to add?

David Brown: It links to the strategy question. If DFID are reforming or updating their current strategy, you can answer the question in two ways. One is which types of projects are you going to do? For projects that are coming to an end, there is a diminishing return from how much you go back into the projects and re-engineer them. For future projects, it is making sure that they are fit for purpose under different scenarios or they are built in such a way that the risks of increased insecurity are lowered. That could be the way they do them, where they do them or who they do them with. For existing projects, there are one or two we are looking at that go on a little bit further. Yes, a bit more could be done to go back and stress-test them against what is likely to happen post-election.

I was not overly concerned about the projects that we have because they probably will adapt because the people delivering them are pretty savvy. The demining project is going to run until 2018. The HALO Trust, who run that project, are extremely experienced and, indeed, they have responded to increased insecurity in certain areas by adapting how they do the work or shifting to different locations, so I am not too concerned about that particular project.

Q10 Sir Malcolm Bruce: You mentioned the HALO Trust. You mentioned that that was successful and my recollection of the previous visit the Committee made to Afghanistan during the last Parliament was that we wanted to work with the HALO Trust. That is characteristically different—something that seems to be identifiable, sustained and clearly facilitated development because it meant access to land that was otherwise sterile. That is good. Equally, when we compared the two visits, we found that things we were told were going to mean great livelihoods outcomes on the previous visit nobody at DFID had ever heard of when we came back six or seven years later. So the question is: how should they be building projects in uncertain situations with a higher degree of sustainability? You mentioned the good ones as being the HALO Trust work and the roads project, but the impression we had was that ideas sprung up and died rather than being followed through, unless there is a good reason for that, such as it has conspicuously failed or the security situation makes it impossible. Should DFID not be setting longer term time horizons for these kinds of projects to ensure that they deliver and are sustainable?

Graham Ward: Sir Malcolm, I think the short answer to your question is yes; that should be happening. In our recommendations we have focused on advising DFID to focus itself

really firmly on reducing poverty, having an evidence base, involving intended beneficiaries, and planning the work that should be done; to commit itself to independent monitoring of the projects to make sure it is possible to track forward the benefits produced as a result of the interventions; and to have a clear long-term plan, because in this type of environment it does take time to produce sustainable benefits. It is clearly something that should be done, so I would agree very strongly with the sentiment behind your question.

Q11 Sir Malcolm Bruce: Do you have any idea of what kinds of projects they are doing but are not doing sustainably, or that they are not doing but could more usefully be doing? We did not see, unfortunately, in Bamiyan, other than on film and meeting the people in the PRT, the agricultural improvement projects. However, again, several years before we had been told that saffron was the future. When we asked people about the saffron project at DFID, they had never heard of it. We were also told that Afghanistan used to produce half of the world's pomegranate. Then when we did ask them about that, DFID said, "We do not do agriculture." What I am teasing out is: do you get any feel for the kinds of things DFID could do that would be survivable and, given the uncertainty, have some chance of sticking and really improving people's livelihoods in a sustainable way?

Graham Ward: Would you like, David, just to indicate from the conversations you had while you were actually there some of the nascent projects that have been considered?

David Brown: Yes, I can tell you about some of the projects that DFID are thinking about and also developing. In the report we talk about a couple. Humanitarian aid is having a big re-think, with a doubling of the amount of money that goes into it. DFID have changed a decision from the past not to focus on infrastructure to focus on that, so there will be a big African-Asian Development Bank project on infrastructure.

I am not sure I am qualified to answer your wider question on what they should do. If I had that problem to answer, I would ask the Afghans, "What is it you need?"

Q12 Sir Malcolm Bruce: Did you see things that you felt were unsustainable?

David Brown: Yes. We were concerned about the sustainability of elements of one of the projects we looked at—Supporting Employment and Enterprise Development—particularly the training of women who were working on clothing and handicrafts and such. The problem they faced was when the project ends, it was very questionable as to whether they would be able to continue what they were doing without support, but the support has not yet been withdrawn to allow them to build up the resilience required. Therefore we made a further recommendation in the latter part of the report that that project should consider being extended.

Q13 Sir Malcolm Bruce: So sustainability, to some extent, just means supporting these projects for longer and giving them more chance.

David Brown: It can do, but it can also be about being more realistic about what you are trying to achieve and not taking on super-sophisticated problems and trying to fix them.

Q14 Fiona O'Donnell: David and Graham, you have both spoken about the evidence you saw of DFID's work to support women, and you took the trouble of recruiting local women to go to speak to people—to beneficiaries. Given that Afghanistan is one of the worst places in the world to be a woman, I am just wondering why there is not more focus on women in your report.

Graham Ward: Alexandra has been specialising in looking at this aspect, so may I ask her to address your question?

Alexandra Cran-McGreehin: Yes, you are absolutely right about the barriers. I read the statistic that the literacy rate of women is 17%, and that is less than half of that of the men; it is an incredible barrier to livelihoods in one sense and there are also all the cultural constraints as well. The honest answer is that very few of the projects we looked at specifically focused on women.

Q15 Fiona O'Donnell: Should you not have commented on that then? If women are more disadvantaged than men and there are not as many projects focusing on women, did that not merit some mention?

Alexandra Cran-McGreehin: There is a real challenge. Interestingly, the one programme we just referred to that did—the SEED programme—was meant to focus particularly on women and young people, as two categories who have particularly high unemployment rates. Interestingly, the two original projects identified as being the most capable of providing those benefits just did not come about, and I do not think it was a lack of wanting to do them. In one case it was about due diligence and in another case it is just a project that has not managed to get off the ground. The bit that did happen—the Zardozi Project—which is about helping women specifically working at home on things such as textiles, did work, but it is quite small scale. There is a question about why one could not do more to scale those kinds of results up and, indeed, make them sustainable by working for longer.

Q16 Fiona O'Donnell: You do refer to the targets in the Supporting Employment and Enterprise Development programme for job creation for women. I wonder whether I could push you a little bit: if you had included a section on DFID and whether or not they are managing to improve women's status and their livelihoods in terms of growth, what rating would you have given them? Would it have been amber-red, red or amber? You are passing the buck down to David.

David Brown: Thanks. The *Terms of Reference* report did not major on women specifically, so I cannot talk as if I have gone through the entire portfolio and assessed it for women. For the projects that we did look at, there were elements in there that did focus on women, and we did go to great lengths to find and recruit women who could interview, and they worked under extreme stresses in some regard as to where they could get access, and negotiating access to women was incredibly difficult.

It is perhaps a sideways way of answering the question, but many of our projects did benefit women but they did not single women out. In the interviews we conducted, a lot of the benefits to the family did reach the women. That is important. The money was being passed to them; their children were accessing schools and so forth.

How would I rate it? You could do more. However, we did hear from a couple of people in DFID that doing work for women is culturally extremely difficult. The Government of Afghanistan are not particularly happy about donors coming in and asking to do projects on women. I suspect bigger gains could be achieved through tackling this at a higher political level, and I am not an expert on how to solve the problem. It is culturally very difficult.

Q17 Sir Malcolm Bruce: When we did our report, we said we thought if you went forward post 2014 or 2015, the status of the women would be the acid test of whether or not development had really made a difference in Afghanistan. We do not know the result of the elections. I am not quite sure why; the polls have closed and we have not got a result. One of the candidates has a woman running mate, who is governor of Bamiyan. When we were in Bamiyan, we met the Chancellor of the University. He very vigorously told us that the enrolment of women at the university had risen very sharply; I think one-third of his students were women. This is the point I wanted to make: it was the men—the husbands, fathers and brothers—who were actively supporting this, because they could see the benefit of having educated women in their family. So one question would be: we have seen the participation of girls in school—2 million or what have you; is there not scope, for example, for working with girl school-leavers to ensure that they use their education? I appreciate the cultural dimension that is saying, “It is fine. If all you want to do is educate your girls and have them married off and looking after babies in the background, you do not have the full benefit of that education.” It surely should be possible to find partners and leading women role models in Afghanistan that DFID could support who might make a difference. Is that something you could make any recommendations on?

Graham Ward: I do not think at the moment there is a programme in place for us to assess with those objectives. When we were talking about planning forward about what to do post-drawdown, this is one of the things we would expect to see being discussed between DFID and a new Government when putting together the new programme. The fact is, almost however hard it tries, an international agency going into a country is going to find it probably insuperably challenging to drive the cultural changes that you are talking about. That is something that needs to have the Government on side.

Q18 Sir Malcolm Bruce: There are women in Afghanistan who want to do it and should be supported.

Graham Ward: Yes, that is the essence. Whatever the nature of the Government that comes out of the current elections, it is going to really set the scene and what is then necessary to do to achieve these important improvements. We support the sentiment behind your question in terms of the importance of improvements to the status of women, but the practicalities of it will depend so much on who it is that wins the election. DFID then need to respond to those realities in deciding what their programming should be.

Alexandra Cran-McGreehin: It is also important to note as well that we spoke to DFID Afghanistan about their refreshed strategy. Two of the elements of that are potentially going to be equity—including around gender—and another one on violence against women. We were just commenting that, yes, there is the issue of the context and how you bring all those things together into a more coherent strategy.

Q19 Chair: Let me ask you what ICAI made of the fact that DFID only partially accepted all three of ICAI's recommendations. How you would follow up on your recommendations to make sure you get more than just a partial acceptance—and, in fact, that you get a full acceptance?

Graham Ward: We were, I must admit, slightly confused by the nature of the “partially accept”. If you look at the first recommendation about reviewing current and future projects in the portfolio, the action they say they are going to take to us reads as if it is an acceptance of the recommendation. So we are confused as to why it says only, “Partially accept.”

Q20 Chair: Are you going to challenge them on that? It is very clear; it says, “Partially accept,” but you are right; it looks as if they are accepting almost everything that you recommended. Would it be possible to ask them to clarify? Perhaps we should ask them when they give evidence in a few minutes.

Graham Ward: That really would be helpful—no doubt as to that. Also when we come to do our regular follow-up work in relation to our report and the recommendations, we do not only follow up full accepts; we follow up partial accepts and, indeed, we also follow up and see what the position is in terms of rejects. We have found, in the case of a number of reports, this document says “reject” but, in fact, on further reflection DFID decide that they are going to recommend implementation anyway. In one or two instances there have been some real benefits for intended beneficiaries that have derived from it, so we take a holistic view to our follow-up. We will not let the point drop simply because of what is in the second column of that table.

Q21 Chair: Did you think that DFID's staffing in Afghanistan was sufficient? I notice that in your report on DFID and learning, you comment on staff turnover being too frequent in Afghanistan. Do you want to expand on that before we conclude?

Graham Ward: There is a huge challenge here. You will recall that, in our first report on Afghanistan, we also referred to that. We can understand the human reasons behind that but the fact is, in any sort of management exercise or project management exercise, if you have frequent changes of the personnel who are supposed to be driving a project, that is bound to detract from the effectiveness of implementation. Have you any more personal observations, David, to add on to this?

David Brown: On the partially accept, I would be interested to know what they are not accepting because that is not clear. That would be my question to them.

On turnover, we should give some credit to DFID and the current head of the office; they have really made some improvements on the length of time people remain in what is a very difficult place to work. My slight worry would be on the mixture of skills rather than the length of time that people stay—and to make sure they have a good spread of technical ability, particularly on the strategic planning side. The strategy always looks easy but it is tough and having people who can do that big thinking and joining up the projects to the aim would be the sort of skills I would be looking for.

Chair: David, Alex and Graham, thank you very much for your time and your answers this morning.

Examination of Witnesses

Witnesses: **Joy Hutcheon**, Director General, Country Programmes, and **Pauline Hayes**, Acting Director, Western Asia Division, Department for International Development, gave evidence.

Q22 Chair: We have quite a few questions on the agenda, but first, may I ask you to introduce yourselves and make any opening remarks you wish to make? Thank you for getting here nice and promptly. We want to be finished before International Development questions in the House.

Joy Hutcheon: Understood. Good morning, I am Joy Hutcheon. I am the Director General for Country Programmes at DFID. I have appeared before you and before the full Committee a number of times before, although not previously on Afghanistan, which I became responsible for in February. I am extremely pleased to have with me Pauline Hayes, who is the Acting Director of Western Asia Division, who has now worked on Afghanistan for three and a half years and I know has had many conversations with members of the Committee during that time.

Q23 Chair: Pauline, anything else you want to say at all?

Pauline Hayes: No, that is fine.

Q24 Chair: Thank you very much. As you know, this is the sub-committee of the International Development Select Committee. Development progress in Afghanistan has been minimal over the past decade. The country's position near the bottom of the UN development index remains almost unchanged over the last few years. We have seen that your staff work very hard in very challenging conditions, but are you confident that UK aid is achieving any impact at all in Afghanistan?

Joy Hutcheon: We are as frustrated as I know the Committee and others are about the slow pace of change in Afghanistan, but things are moving in a positive direction. As the Committee noted on the visit in 2012, things are improving from a very low base. We now have 6.3 million children in school; it was fewer than 1 million in 2001. It was 5.8 million when the Committee visited. We now have over half of pregnant women receiving some antenatal care. It was 16% in 2003 and it was 36% when the Committee visited in 2012. So there is progress; it is slower than we would like and it is also very difficult to measure accurately.

The Human Development Index is a composite of health, education and income data. Some of it is simply very out of date. The data on life expectancy, for example, is still from 2007-08. That will tend to show stagnation. I am not saying that it is actually all lovely and it is really moving rapidly, but we cannot be absolutely sure how fast the progress is. However we are confident that it is positive.

Q25 Chair: Pauline, would you like to add anything to that?

Pauline Hayes: Just to stress the problems of data reliability and gathering data; there has not been a census in Afghanistan since 1979. Trying to get that reliable data is inevitably very challenging.

Q26 Chair: One of ICAI's major concerns is the sustainability of DFID's interventions. While there is some evidence, as you say, of positive changes in people's livelihoods, job creation and education improvements are easily reversible gains, I think you will agree. Can you point to any systemic improvements in Afghanistan's economy and society? I appreciate the data are quite old.

Pauline Hayes: In the economy, I think the biggest success story is tax and the tax take. We have been very heavily involved in that from the start. The tax take has grown phenomenally over the last 10 years from a very small level to over \$2 billion. That, as a systemic change of laying the foundations for a functioning state, is a fantastic achievement. There is obviously a long way to go, but we are on the right track.

Joy Hutcheon: The education gains are potentially reversible in the period of uncertainty that we are going into, but in the end education can create its own momentum. The other thing that we are seeing in Afghanistan is a very high level of urbanisation. It is one of the fastest urbanising countries in the world.

Q27 Chair: From a very low base though, I think.

Joy Hutcheon: Yes, from a very low base but we are starting to see the expectations of girls and women in cities changing. It can be reversed, but it becomes more difficult.

Q28 Chair: What steps are you taking to improve the sustainability of your efforts, specifically in places like Helmand, given the strength of the Taliban in that region? Do you think you need to focus on some of the poor areas such as Bamiyan?

Pauline Hayes: We do work in Bamiyan in a number of ways. It is important to recognise that we have a national programme in Afghanistan that operates across all provinces. Inevitably the UK is very focused on Helmand, and rightly so, but it is important to recognise that we have always operated a nationwide programme.

Q29 Sir Malcolm Bruce: We recognise that fact and I agree with you; it needs to be stressed all the time, because everything goes to Helmand. Indeed, Jeremy and I went to Bamiyan but unfortunately we did not get very far out, which was a bit annoying given that nothing has happened in terms of violence or security in Bamiyan for 10 years. We were told that we could walk cheerfully around the place, but the Foreign Office would not allow us to.

Pauline Hayes: It is the route between Kabul and Bamiyan that was the problem, rather than Bamiyan itself.

Q30 Sir Malcolm Bruce: I know, but when we were there it was fine. That was frustrating. That was part of the point; the frustration is how do you ever follow things up?

You have amber-red ratings. ICAI have said they fully appreciate that it is a very difficult environment and there are security situations, and you have to work through intermediaries sometimes, but the question is: do you then simply say, “It is a very difficult environment; you should not expect better than amber red,” or are there specific things you can and will do that will reverse that or turn it into at least amber, if not amber-green?

Joy Hutcheon: First of all, we do appreciate your frustrations about Bamiyan, and I am sorry about that. We are certainly not in a position of saying, “This is a very difficult environment; we should not aim for more than amber-red.”

One of the things that, having taken over this programme, I was very pleased to see in the report is that the team is learning well and learning from the different things they are trying to operate effectively in this difficult environment and as it changes. That, for me, was a positive from the report. There is clear evidence that we have learnt on our programme assurance and controls, where the report told us we were responding positively to that and that fiduciary controls were good. That is something we have managed to develop during a difficult period. We are choosing effective delivery partners and managing them well.

However, there are things we need to get better at. There is a clear story in the report that we have progress to make on how we identify our indicators and how we monitor them. There is helpful material in the report to enable us to take that forward. The team has been doing a lot of thinking about how we are going to manage monitoring in the range of scenarios that might face us, including the most difficult ones, and are putting in place an arrangement to monitor robustly through independent third parties where we are not able to travel ourselves. We absolutely aspire to come back before you and discuss a report that is at least amber, if not with some green in it.

Q31 Sir Malcolm Bruce: As you know, we said we were not convinced about the objective of creating a viable state, not that we do not want to see a viable state, but we were not sure DFID could shoulder that ambition in ever-changing circumstances. I know it was set by the National Security Council, so it may be above your pay grade to say you can change it, but has there been any discussion about that? In the post-2014 scenario, what we felt was—and you have touched on it—that you needed to find local partners, both in terms of monitoring and delivery, who could probably have better contact communication and less security problems, provided you were able to monitor and control them effectively. Is that the way forward?

Joy Hutcheon: I know that the Committee has been concerned about the viable state objective. We do see building a viable state as an absolute pre-requisite for poverty reduction in Afghanistan, in the same way as we would in Somalia or DRC, where the state is really not functioning. Our Secretary of State is also very comfortable with that analysis. We know that addressing conflict and fragility are fundamental to reducing poverty, but building a viable state does not all have to be at the central level. We see building a viable state very much as something we do at the centre and locally because, in the end, the capacity of local government to deliver locally to citizens is a building block of a state that functions. You are absolutely right, Sir Malcolm, and the fact that we have moved back to national programmes does not mean that we will be focusing all our efforts in Kabul. We are going to be thinking very carefully about how to support local and provincial governments to build the legitimacy of a functioning state.

Pauline Hayes: Around 50% of our programme funds are channelled through the Afghanistan Reconstruction Trust Fund, the multi-donor trust fund funded by the World Bank, and that very much operates nationwide, filtering right down to local levels. For example, it funds the National Solidarity Programme, which is working right down at community levels, so our money is reaching out and down.

Q32 Sir Malcolm Bruce: I just want to repeat that it is not that we do not think building a viable state is a desirable outcome and a necessary one. However, you have to deliver poverty reduction whether or not that viability is achieved. That seems, to me, the prime purpose of DFID. The worry is that the grand central schemes can be at the expense of other areas—and you are saying to me that they will not be. For example, you would certainly be able to achieve poverty reduction in Bamiyan more easily than you would around Kabul, for example. That is what I am asking: are you prepared to focus where you can get results?

Joy Hutcheon: I very much take that point. For me, having taken this programme on in February, alongside the other programmes I mentioned—Somalia and DRC—I am not seeing, in the Afghanistan programme, programmes that I would not expect to see in other programmes in other countries or a different mix between trying to build state capacity, which is essential for sustainability in the end, and trying to do the really grassroots, on-the-ground work. We are doing a significant amount of humanitarian work, and we are ramping up that humanitarian work and the development on the ground—trying to deliver concrete results.

Q33 Jeremy Lefroy: During our visit in 2012, one of the great concerns expressed was that the military drawdown itself would have a very substantial impact on the economy because so much of the economy depends on spending by the partner countries that are assisting Afghanistan at the moment. Obviously, the UK Government is committed to a long-term engagement with Afghanistan through the DFID programme, but are you already seeing an impact such as was forecast on the Afghan economy and therefore with the consequences for a viable state because of the military drawdown, or has that been mitigated since we were there in 2012?

Pauline Hayes: It is a combination of things. The economy has slowed down over the last two years but the economic growth spiked upwards last year because there was a bumper harvest. It has always been a very volatile economy, as you probably know, so it has come down. There is no doubt that the shift of transition has affected that. We always knew that was going to happen. In addition, I think the uncertainty over the future affects investor confidence, etc. Until we get through the current elections process, it is hard to say where the economy is going to go. However, the growth rate is still 3.1% or around about that at the moment, so we are still in positive figures. Inflation is still under 10%. The Government still has very strong foreign reserves, so it is not all doom and gloom; it is holding up. However, it is really important that they get through the elections process as quickly as possible, and if they come out in a good place after that elections process, I think we could see a little spike, because that confidence in the future of Afghanistan's economy will grow.

Joy Hutcheon: There is still significant progress to make on tax, which will improve the Government's fiscal position.

Q34 Fiona O'Donnell: Pauline, you were mentioning what a significant year this is in terms of the drawdown of troops and also picking up on what Jeremy was asking. ICAI have said they found it quite difficult to find evidence about how your forward planning is resilient to the changes that may be ahead, both in terms of the withdrawal of troops and also the results of the elections; we are still waiting to hear how that all settles down. What reassurances can you give us that that planning and that flexibility within the planning is taking place?

Pauline Hayes: First of all, I can assure you that there is constant planning going on, none more so than over the last 12 months, for a number of reasons. We have always done scenario planning with our programme, right from when I was there. Over the last 12 months, the team in Kabul in particular have been doing a range of scenario work, in part because of 2014 and needing to be ready to respond to whatever happens in 2014 and to do contingency planning as necessary and so on.

Also, in DFID globally, because we are in the new resource allocation round, all country offices are going through a poverty reduction analysis phase and looking at what the future direction of their programmes should be over the next two to three years. DFID Afghanistan has been doing exactly the same. In a way, they are a bit ahead of the game because they have been doing some of this scenario planning anyway. Now it is being done in a much more structured way as part of our resource allocation round. We have actually had discussions internally with our Secretary of State. That is obviously internal at the moment but I can assure you that the programme is getting constant forward looks and, subject to certain scenarios coming out, they have a very clear sense of direction as to where they would go with those scenarios.

Q35 Fiona O'Donnell: You state that in Afghanistan you are ahead of the game, but in the findings section of the ICAI report in 2.66 they share your refreshed strategic aims for your work in Afghanistan. They go in 2.67 to say, "The set of aims does not yet appear to derive from a top-down, clearly defined goal." It talks about the evidence base being very weak and, where there is evidence, it is usually low quality, and the design is not based on the experiences of the intended beneficiaries. How would you respond to that?

Pauline Hayes: As I say, the team has been doing their homework on a lot of this. In addition to general scenario planning, they have been doing what they call deep dives on certain thematic topics that could affect the development of the country in certain scenarios and to help us judge the future direction of the programme. Probably the timing of when the ICAI team were there meant that they maybe they did not see some of the work that has been done particularly over the last six months. I think they were there in about September. It has been an intensive period, not just for DFID Afghanistan but for all country offices.

Joy Hutcheon: We feel that set of aims does flow from a top-down goal of reducing poverty. That is what we are setting out to do and that is what those aims flow from on our analysis.

Q36 Fiona O'Donnell: How might UK aid be impacted in Afghanistan depending on the electoral results? Also, if we find out that fraud is as widespread as it was in 2009, are there any thoughts being given to reducing aid?

Pauline Hayes: First and foremost, we have to recognise that what we, the UK Government, are looking for are credible elections and transparent and inclusive elections. What we saw on Saturday was a very good start. There was some fraud. It is early days in terms of what we are getting back in information, but the levels of fraud are significantly lower than back in 2009. That is a very good sign, but we are probably going to go to a second round so we will have to see how the next stage goes. If we were in a situation where the election results were seriously defrauded, then we would have to look again at the whole situation, but as part of the UK's overall policy towards Afghanistan.

Q37 Fiona O'Donnell: What will change in DFID's approach in Afghanistan following the creation of the UK Conflict, Stability and Security Fund in 2015-16?

Pauline Hayes: The UK has already made commitments under the current Conflict Pool, which will continue into the CSSF, for the funding of the military officer training academy, and also for security costs for the salaries of policemen, essentially. That is part of international commitments made at the Chicago Security Summit in 2012.

In terms of where DFID is going to go with CSSF, we are still looking at options. One area we are interested in thinking about is how we take a more coherent response to some of the policing issues in Afghanistan. At the moment we and other Government Departments do some work in that vein. Perhaps the CSSF provides an opportunity to pull all of that work together and deal with it in a more coherent way.

Q38 Fiona O'Donnell: Could I be a little bit cheeky and ask one final question? In terms of the refreshed strategic plan, the final one was around tackling violence against women. I just wondered, given that the quote I read earlier spoke about not focusing and engaging with the beneficiaries, are women's rights organisations within Afghanistan being involved in the shaping of the strategic plan?

Pauline Hayes: We are very engaged with women's rights organisations in all of our work in this area through a number of routes, having general dialogue with them, whether it be here, in London, or in Kabul. We also provide direct support to women's rights organisations, which enable us to engage with them on policy issues as well. We have a major civil society programme called Tawanmandi, which has a particular focus on women's rights issues.

The decision last year to make women and girls a strategic priority has enabled us to have a much wider dialogue at official level; when our Secretary of State has visited Afghanistan, each time she has met women's rights organisations. I could provide lots of names, but we are very heavily engaged with them. The elections work that we provided has also enabled further dialogue, and the political participation fund we have set up, which includes support for women political participants, strengthens our engagement.

Q39 Jeremy Lefroy: In our 2012 report, we commented on the turnover of DFID's staff in Afghanistan and the risks to institutional memory. In your one-year-on update, you say you are continuing to build capacity in DFID's office. Could you perhaps explain how you are doing that?

Joy Hutcheon: This continues to be a difficult issue. It is something that is going to preoccupy me—keeping the right skills in the office and the continuity. We work hard to keep some continuity through staff who have been posted in Afghanistan. We have eight on the team at the moment. A year ago it was 14. Those levels will fluctuate a bit. We are also slightly increasing our local staff. About half our team in Afghanistan are local staff, who provide a good measure of continuity, and we have been increasing and strengthening that team as we approach this period.

Q40 Jeremy Lefroy: DFID, quite rightly, is spending an increasing amount in fragile states. You say in the report that “given the high-risk and high-pressure environment in Afghanistan, in our view it is still not feasible to create a formal cadre of experts to work routinely in Afghanistan”. There seems to me to be a potential conflict in the long term between DFID's, we believe, admirable aim to work in fragile states, because it is one of the few organisations that makes that a priority, and the inability to create the kind of cadre of experts in those fragile states—Afghanistan being the case in point here—to do that, to retain the institutional memory and to ensure that we have a long-term approach. How would you respond to that, because it seems to me that we are in danger of setting a goal of working in fragile states, which we all support, and then not really being able to deliver on that to the best of our ability?

Joy Hutcheon: We do keep this under constant review and it is helpful that you challenge us on it. In fact most of our bilateral programmes now are fragile states. Most of our staff posted overseas are developing experience in being in fragile states, although some are more fragile than others. We do see, in practice, staff developing expertise and circulating between some of the most fragile. It is very common to go to Afghanistan and find staff who have been in Nigeria or South Sudan, or who have worked on Somalia. The difficulty with gathering those up into a cadre is that sometimes they need a break. Sometimes it is important for other people in the organisation to see that, if you go and work in a really difficult, hard posting, you can go and do a less difficult posting, and the ability to go and work in fragile states often depends on where people are in their own life stage.

Q41 Jeremy Lefroy: I fully understand that, but can I challenge you? We are talking here about British Government policy. However much we may respect individual circumstances, British government policy cannot be determined by individuals' life circumstances. Therefore, should we not be giving more consideration to really develop this expertise—this cadre—however difficult it may be, given that it is such a fundamental part of implementing what is a very large ongoing programme of £190 million a year? That is a challenge—a personal one. I do not know whether my colleagues share it.

Sir Malcolm Bruce: No, I agree with it.

Joy Hutcheon: We are giving a lot of thought and we think we are making progress on developing a cadre of expertise in working in fragile states. We do not think, at this point,

that UK policy is put at risk by not being in a position where we are basically directing people to be mobile and to particular countries.

Q42 Jeremy Lefroy: The follow-up is that, if we are not able to do that—whereas we probably are in most other countries—there is a question mark over our entire programme in Afghanistan, saying, “We would like to do this programme but we simply do not have the people to do it,” or, “We have people who can come intermittently but are not able to devote reasonably substantial parts of their careers to it,” which would be the way, I believe, to have a really sustainable programme. I understand what you are saying and I do not want to explore that any further, but I would just challenge DFID to go back and think about this, because that coming out in your report seems to me a bit of an admission of weakness and does not give us the confidence that the long-term engagement of DFID in Afghanistan is necessarily sustainable.

Joy Hutcheon: I accept the challenge. It is a risk that we track. At the moment we feel able to staff our team effectively. There are not programmes that we are not able to pursue because we do not have the right people. There are a number of donors in Afghanistan who, particularly with the current security events, are finding it difficult to work out how to keep their presence there. We are not one of those at the moment, but we absolutely accept that challenge and we will keep that under review.

Q43 Jeremy Lefroy: On the measurement of results, the ICAI report expresses serious concerns about DFID’s measurement of results, as we did in our 2012 report. Could you just explain to us what you are doing to make the measurement of results more robust in the future?

Joy Hutcheon: One thing that we should say is that all of the programmes that ICAI looked at were designed pre-2010, when we changed our processes and our business case process. We have put a lot of effort, since then, into being clearer about our theory of change—why it is we are expecting something to happen and what we are going to monitor, and therefore how we will know whether we are delivering results. I expect to see progress on that.

We are doing some specific training in Afghanistan on how to set indicators and monitor in that very difficult, particular environment. Some of the things we are trying to monitor are very difficult. When we are trying to monitor the changes in the perception of women in politics, that is very difficult to do during the course of the programme. Even if you do see a change at the national level, it is very difficult to attribute that to the specific things that you have done.

We will continue to be in the territory of monitoring proxy indicators. In that case, for example, we are looking at the number of religious leaders who are giving messages about women’s participation, women’s rights and women in politics. We want to get away from the high-level perception surveys and the high-level outcome change, which is hard to attribute, and be really clear that we are monitoring things we can count and that relate to a really robust theory of change. If they are happening, we can be reasonably clear that the theory of change is working.

Q44 Jeremy Lefroy: One of the things put to us was that some of the aims of DFID's programmes were just unrealistic; there was no way you could have monitored them even if you wanted to. ICAI particularly referred to the Rural Development Programme's impact on poverty indicators. Is this the consequence of a former method of drawing up business cases that has now been remedied, or is this still a problem with current businesses cases that are being produced—that they are too ambitious and the goals could not be achieved or at least could not be monitored?

Joy Hutcheon: It is a combination of things, Mr Lefroy. We do still tend to be a bit ambitious and we are trying to be very clear with teams right across the business that we are not looking for people to oversell what they can achieve, but to be very realistic about it. It also goes back to this point about understanding what the right indicator is to set. Trying to monitor something by looking at the national poverty data is not going to tell you clearly what you are achieving. It goes back to my previous example of picking something that your theory of change tells you is a good thing to monitor; so you have to be clear that the thing you are monitoring will tell you if you are making progress towards the bigger objective. It is therefore just getting smarter at picking things that indicate the right direction but can also be counted.

Q45 Jeremy Lefroy: Are you making changes already in terms of your monitoring as a result of the ICAI report and some of their suggestions?

Joy Hutcheon: Yes. The team identified monitoring in this next period as one of their big challenges back in 2013. They initiated a study on beneficiary monitoring that talked to beneficiaries of the local-government-strengthening programme, both to monitor that programme but also to learn lessons about beneficiary monitoring. They are putting that together into a programme-wide monitoring strategy, which they are working their way through at the moment, which will address both the internal monitoring across the programme and look at how we can use third-party independent monitors and, preferably, if we can manage it, in collaboration with other donors. If a team is going off to Helmand or Bamiyan to look at a DFID programme, they may be able to look at a number of donor programmes in that area, and that will be more efficient.

Q46 Chair: Let me come back to the theme of the place of women in Afghan society. In March 2013, the Secretary of State announced that the next DFID operational plan on Afghanistan would include an explicit priority goal on tackling violence against women and girls. As you know, the International Development Committee has produced a very comprehensive report on that particular subject. How are you translating that commitment into programme and funding priorities, and what are you doing, for example, to support women's shelters or legal services, as we recommended in our 2012 report on Afghanistan?

Joy Hutcheon: We have entered into a partnership with the Australians to support a programme on eliminating violence against women. The first phase of that is looking particularly at strengthening referral and justice systems, but there is potential to expand into both shelters and medical care and other issues, which we are exploring in the context of our future plans.

Our civil society programme, Tawanmandi, as Pauline mentioned, is engaging with 35 women's groups. We had an extensive programme in the run-up to these elections to

support women's political participation for women local provincial councillors. That will continue through to the parliamentary elections next year to support women MPs. Then through the ARTF, we are strongly supporting girls' education, which is a fundamental platform for addressing violence against girls, as you know, and also through the Girls' Education Challenge Fund, which is a significant investment in girls' education.

Q47 Chair: We have discussed education and literacy rates. I wonder what further steps you are taking to ensure that women and girls are a major focus for your education and wealth creation programmes?

Pauline Hayes: It is about consolidating what we have been doing, so continuing to channel funding through the Afghan Reconstruction Trust Fund, which has a major education project called EQUIP. Since the Committee visited Afghanistan in 2012, we launched the Girls' Education Challenge Fund, which will run for three to four years initially, and that is part of a global fund we operate. That is around £47 million in total and is trying to help girls get to school in some of the most remote areas of Afghanistan. There is a particular focus on that. It is about consolidation. We have put major funding into the UN elections programme to do outreach work for women and encourage women's participation in the elections and so on. It is keeping going with all that we are doing.

Joy Hutcheon: I just to add to that, consolidation may sound unambitious, but the Girls' Education Challenge will support the education of 250,000 girls in some of the most difficult areas. The other thing I would say is that the discussions we have with the next Government about the TMAF and the commitments that they have made—or Afghanistan has made—to the reform of women's rights under the TMAF will be fundamental to underpinning all of this. We have to make sure we give due attention to that.

Q48 Sir Malcolm Bruce: A question occurred when we were talking to ICAI. We have achieved a lot in getting girls into school, and some of those girls presumably have had enough schooling to be leaving school after having several years of education. Do you have, or should you have, a programme to try to transition those girls into useful, economic activity if there is pressure on them, having got an education, to then get married, have children and disappear into the background. What is the scope for doing that? Is it something you have considered?

Pauline Hayes: Some of the technical and vocational training we have been providing has helped and will help some of those women. They get the basic education and then they get the skills training. It is an interesting time for Afghanistan because there has been the huge focus on the basic school education. The international community as a whole needs to start to think beyond that to higher education, to more vocational training and so on. That time is coming, yes, and we need to think about that as well.

Q49 Sir Malcolm Bruce: We met the chancellor of the university, and I know I am repeating it, but he said that the enrolment of women in his university had gone up sharply—about a third of all students. He also said that the men—the fathers, husbands, brothers and what have you—were really very supportive of it, because they could see the economic and social value of having educated women. They could see the economic value; that is the

interesting point. So it has a little twist to a highly conservative society, which says, “There are benefits for everybody here.”

Pauline Hayes: One of the reasons why we cannot get more girls into school is a lack of teachers; we need female teachers. It is very interesting; if you talk to a lot of the girls who are being educated—I have been to several schools—and ask, “What do you want to do?” they reply, “I want to be a teacher.” This could start to have a knock-on effect and then there is a point of no turning back.

Q50 Sir Malcolm Bruce: Are you thinking about a specific DFID programme that could do that?

Pauline Hayes: Not a specific DFID programme, but our education focus has been primarily through the ARTF—through the education development programmes that go on through that. That would be the way to go, because a multi-donor approach to all of this is the right approach out there, in a fragile state especially.

Q51 Sir Malcolm Bruce: Has that particular idea happened?

Pauline Hayes: There is work going on to improve teacher training, yes. I can find out some more details for you if that would be helpful.

Q52 Chair: Can I come back to something that you mentioned earlier, which was the Tokyo Mutual Accountability Framework, or TMAF? In your response to our 2012 report, you rejected our recommendation that a joint donor government plan for women and girls during transition should be created, saying that TMAF should provide sufficient international focus. Do you stand by this position and do you think the framework is providing a sufficient safeguard for women’s rights during the transition?

Joy Hutcheon: To be fair to Pauline, who was there at the time, I would observe that we often angst about whether to try to pursue women’s rights through mainstream government processes or to pull them out into a separate strategy. Sometimes that has the unintended effect of side-lining them off into a women’s Ministry or a separate document.

Pauline Hayes: TMAF has, over the last 18 months, had its ups and downs. I do not deny that the Government has not delivered on some of its commitments. However, it has enabled a high level of regular, sustained, policy dialogue between the international community, the donors and the Government on women’s rights issues, and particularly on the elimination of violence against women. It has proved a very good advocacy method, and that has proved more helpful than coming up with some plan. It is still on the table and will continue to be on the table, because the international committee is not going to let this issue go away; it is too important. That message has to be got through to the new government.

In January, there was a stock-take meeting of TMAF in Kabul and, at the time, all the presidential candidates were invited to attend. At the time there were 11, and 10 of them stayed throughout the whole proceedings. They were able to hear for themselves the key messages from the international community, including on this agenda, and take that away with them, as well as make statements themselves. They should be in no doubt that this is a critical issue, and that is part of the step along the way to having that dialogue with the new Government and making sure this agenda stays on the table.

Q53 Fiona O'Donnell: Another section of society that is often left behind in development is people with disabilities. Indeed, the Committee's most recent report looked at development and people with disabilities. We are hoping to see, all of us I am sure, something in the post-2015 framework that refers to people with disabilities. I wondered what work DFID is doing in Afghanistan to make sure that either our aid is inclusive or to look specifically at funding to ensure people with disabilities are included in growth and development in Afghanistan, in education and all services.

Joy Hutcheon: It is a very good question. Specifically, through the Girls' Education Challenge Fund, we have an innovation window that is looking at new ways of addressing girls' education. We have a number of those programmes looking very specifically at education for disabled girls and in very remote and difficult environments. I am afraid I cannot remember, at this moment, whether there were any in Afghanistan but I can check that, or Pauline may know.

Pauline Hayes: We can check on that.

Q54 Chair: So you will write to us on that?

Pauline Hayes: Yes.

Q55 Jeremy Lefroy: The UK support for the Bost Business Park in Helmand was scrapped in 2013. What lessons have we learnt from that?

Joy Hutcheon: Again, as Pauline was instrumental in recommending that, I will hand over to her. However, I would say that one of the things I very much encourage my teams to do is to monitor the value for money of programmes on an annual basis, through the annual review, and not to be frightened to say if they need to be stopped if value for money is no longer viable. In principle, we should expect that to happen from time to time and we should be worried if it does not.

Pauline Hayes: We had to stop the Bost project, or recommend that it should be stopped, because we had reached the stage where we were waiting for our Afghan partners to fulfil various commitments that would enable the construction of the Bost Agri-Business Park. There were delays in reaching those commitments. We set them deadlines, because beyond those deadlines it would become very difficult to develop this. Unfortunately, they did not meet those deadlines and that is why we had to reappraise the situation and decide it would not be good value for money to carry on. It was a very difficult decision to make, quite honestly, but we felt it was the right decision and we still feel it was the right decision.

What lessons have I learnt? We have to check into something—can our partners deliver on commitments? Are we being realistic in asking them to deliver on those commitments? These particular commitments related to power and water connections to the agri-business park. There were landowning issues as well and stuff like that. Perhaps we should have looked into that in more detail at the appraisal stage, which was way back in 2009/2010. However, the decision to stop the project was the right decision, and I would hope that the teams have learnt, as Joy has said, that these are not easy decisions but they have to be made sometimes. Maybe we need to do more of that rather than less of it.

Q56 Jeremy Lefroy: Given that one of the areas we identified as being very important for the economic development of Afghanistan was agro-processing, where currently most of Afghanistan's agricultural production seems to go outside to Pakistan for processing and then come back in the form of finished goods, clearly the idea behind the park was an extremely good one and conformed with our long-term policy. I would be worried that the process we have had to go through with Bost might put us off doing such things in the future when, in fact, they could be part of the long-term economic development of Afghanistan. How do you ensure that, when it comes to projects like this, which all of us would probably agree in general are positive, we do not end up once bitten, twice shy and very risk averse. How can we ensure that the reasons, which we understand and are justifiable for pulling this particular project, do not result in generally being adverse to this type of project?

Joy Hutcheon: It is partly about the messages we sound when we have to take this kind of decision. We do not want staff to feel that it is a personal failure and that it should be avoided at all costs, because that will lead to risk-averse behaviour. I am often asked if, in DFID, we are willing to celebrate failure. Personally, I do not like celebrating failure, but if we are doing high-risk things, some of them will fail and people need to feel all right about that, provided we have done everything we can and have managed them well. Then we need to draw the learning from them and move on. We are clear that agriculture will continue to be a focus of the programme as we look forward, and we will look to continue programming in this space, having learnt lessons from the Bost experience.

Pauline Hayes: We have another agricultural programme called CARD-F, Comprehensive Agricultural Rural Development Facility, which works with four Ministries but works out in about four or five provinces at the moment. It is a multi-stranded programme designed to improve agricultural productivity, encourage small business development and so on. It took a long time to get going but it is starting to show very interesting results at the moment, and the team is designing a second phase of that programme. There could be real opportunities within the second phase to do some initiatives like agro-processing, which are crucially needed.

Q57 Jeremy Lefroy: The other aspect of this decision is: what was the local reaction to it? Did people understand DFID's reasons or was it taken in a fairly negative spirit—that DFID is not fulfilling its commitments to us?

Pauline Hayes: Inevitably our partners were disappointed but we took very great care to communicate our decision with both our local partners and centrally in Kabul with the relevant Ministry. They accepted our decision and, frankly, there has been very little fallout between us since.

Q58 Sir Malcolm Bruce: You have just reminded me that a recurring theme in Afghanistan is improving agricultural productivity and local processing, which Jeremy's question was about. It is all being shipped in and out of Pakistan, which is not without its own issues. Do you still see that as something that DFID and the international community can support? The problem we discovered when we asked people about why it was not happening was basically corruption. The money did not get to where it needed to go. The

clear recognition was that, if you could produce more and process it locally for the local markets, it would add value and be a basic thing to do. It may be a basic thing to do and it may be self-evident and obvious, but in the context of Afghanistan it is darn difficult to achieve.

Pauline Hayes: No, it is an area we want to continue to pursue. Afghanistan is going to continue to be a heavily agricultural based economy for some years to come, and if we are to help bolster that economy over the coming years, these are precisely the issues that we and other donors need to help address.

Joy Hutcheon: The Bost business park was one way of approaching that, but there is a range of other approaches to try to make local markets work, which includes rehabilitating local roads and markets. There are other ways of addressing this.

Q59 Chair: Before we conclude—and I want to thank you very much for the evidence session you have given us today; it has been extremely enlightening—can I just ask you about this: you responded to ICAI’s three recommendations in the report, and I note that you, on all three of them, have partially accepted their recommendations, yet it seems from the description you have accepted almost everything. Could you clarify why it is a partially accepted recommendation and, yet, you seem to be wanting to implement all of the recommendation.

Joy Hutcheon: I suppose, Mr Chairman, it was to reflect the fact that, on each of these, we were already doing a number of things. ICAI has, therefore, underlined the importance of some of the things we are already doing and identified some new things that we need to pay more attention to.

Q60 Jeremy Lefroy: Whenever we see “partially accepted”, this Committee—or at least I—understand that as being you do not accept some things and you do accept others, rather than saying, “We are already doing some of it.” Therefore, I wondered whether there could be a different terminology used for where you say, “We are doing some of this already and we accept the rest,” rather than, “We are rejecting some and accepting others.”

Chair: That is a good point.

Joy Hutcheon: Let me take receipt of that.

Chair: I must say, I thought it meant you had rejected some of it, but thank you for clarifying that. Pauline and Joy, thank you very much for your evidence this morning. That concludes the business of this meeting of the ICAI Sub-Committee. Thank you.