The Commanders Emergency Response Program in Afghanistan:

Refining U.S. Military Capabilities in Stability and In-Conflict Development Activities

Gregory Johnson, Vijaya Ramachandran, and Julie Walz

Abstract

The U.S. military has become substantially engaged in the development and stabilization space and will likely continue to operate in this space for some time to come. Analyzing the Commanders Emergency Response Program in Afghanistan, we look at the scope and rationale for development-related activities carried out by the U.S. military. Acknowledging that tensions have arisen between the development community and the U.S. military in Afghanistan, we discuss the scope for improving the U.S. military's capabilities in carrying out development-related activities in in-conflict zones. Specifically, we propose five policy changes for the U.S. military—improving education and training for military officers, reforming authorities and doctrine, understanding the dominant sectors of the economy, monitoring outcomes, and increasing awareness of unintended consequences.

JEL Codes: F50, Z00, O53
Keywords: afghanistan, u.s. military, counterinsurgency, stabilization, in-conflict development

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Terms, Acronyms and Abbreviations

ADT	Agribusiness Development Team
CCO	Center for Complex Operations
CEO	Chief Executive Officer
CERP	Commander's Emergency Response Program
CRC	Civilian Response Corps
DOD	Department of Defense
DODD	Department of Defense Directive
DODI	Department of Defense Instruction
DOS	Department of State
DSF	District Stability Framework
DST	District Support Teams
MAAWS	Money As A Weapons System
NSPD	National Security Presidential Directive
PKSOI	US Army Peacekeeping & Stability Operations Institute
PRT	Provincial Reconstruction Team
S/CRS	State Department Office of the Coordinator for Reconstruction and Stabilization
SIGAR	Special Inspector General for Afghanistan Reconstruction
SIGIR	Special Inspector General for Iraq Reconstruction
SOI	Sources of Instability
SSTR	Stability, Security, Transition and Reconstruction
TCAF	Tactical Conflict Assessment Framework
TF	Task Force
TSP	Training Support Packages
US	United States
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USG	United States Government
USIP	United States Institute of Peace

Introduction

In 2010, Carl Schramm, the president and CEO of the Ewing Marion Kauffman Foundation, published a paper in *Foreign Affairs* entitled "Expeditionary Economics." Arguing that the economies of Iraq and Afghanistan have shown few signs of progress, Schramm makes the case for the US military to engage broadly in mid-conflict and post-conflict reconstruction, using a variety of tools. Economic reconstruction must be a part of a three-legged strategy, along with invasion and stabilization. To do reconstruction, the US Military needs to expand its areas of competence, rid itself of its central planning mentality and become a more flexible force that can facilitate economic growth at the same time that it is trying to stabilize the regions in which it is engaged. Schramm argues for modest yet effective projects, saying that "job diversity" in the private sector is very important and requires a wide range of interventions, well beyond the relatively narrow set of activities that the US Military currently funds in places like Iraq and Afghanistan "Messy capitalism" requires the military to allow various forms of entrepreneurial activity to emerge in an uncontrolled and even chaotic manner, with the goal of creating a robust private sector.

The challenges that we face in implementing the idea of expeditionary economics are daunting. The overarching question is whether it makes sense for the US Military to engage beyond the limited aims of stabilization. In this paper, we take a practical view, arguing that the US Military is *already* substantially engaged in both stability and development activities in Afghanistan and other conflict and post-conflict zones, and that we need to figure out ways in which it can do its work more efficiently and effectively. We emphasize that the recommendations presented in this paper do not advocate that the US Military take over all development activities for the US Government (USG). The recommendations, however, are designed to address the US Military's capacity to carry out what it is already doing in Afghanistan and in other *in-conflict situations,* where the US Military is playing a significant role because of the security concerns or lack of ability of other USG entities to carry out development assistance.

Emergence of Stability Operations in the US Military

The recent doctrinal emergence of Stability Operations in the US Military is based primarily on the changing international dynamics that immediately followed the end of the Cold War. The types of US operations radically shifted in the 1990s following the dissolution of the Soviet Union and the conclusion of major combat operations in the Gulf War. The US Military became more and more engaged in operations termed *Other*

Than War,[1] which included among others Peacekeeping, Humanitarian Assistance, Security Assistance, Counter Drug and Nation Assistance missions. Deployments became frequent, diverse and spanned throughout the globe. Later termed Stability Operations, a 2004 Defense Science Board Report noted that the US was involved in a stability engagement every 18-24 months following the end of the Cold War.[2] Nevertheless, the operations outlined in *Other Than War* were doctrinally not identified as core missions for the US Military and many in the Defense establishment viewed them as distractions from the military's primary role of preparing for and winning the nation's wars.

A monumental shift in thinking occurred following the terrorist attacks of 9/11. The realization that the attacks materialized from individuals and entities who operated from unstable, weak and failing states directly led to a strategic security shift in the 2002 National Security Strategy (NSS). The 2002 NSS recognized development as a primary security mechanism, on par with defense and diplomacy. The aligning of the three D's of national security raised awareness of the potential foreign development assistance could have in stabilizing regions and in mitigating terrorism and potential insurgencies. Meanwhile US Military operations had begun in Afghanistan and would soon begin in Iraq, thrusting the military into operations that would become counterinsurgency engagements. The US Military incorporated the use of seized Iraqi funds to create a program that was designed to fund projects that would help stabilize military units' operating areas.[3] This program evolved into the Commander's Emergency Response Program (CERP), which was formally initiated in late 2003, utilizing US appropriated funds, for both Iraq and Afghanistan.[4] Units consisting of both civilian and military officials termed Provincial Reconstructions Teams (PRTs) were established in Afghanistan and later in Iraq, designed to enhance inter-agency cooperation, improve stability, and build capacity by working closely with local officials.

In 2004, a Defense Science Board Report recommended that Stability Operations be recognized as a core mission for the US Military. This recommendation was codified in Department of Defense Directive (DODD) 3000.05 *Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations,* which was published in late 2005. The new directive stipulated immediate and long-term goals for US Military Stability Operations that included providing security, restoring essential services and meeting humanitarian needs of the local populace while encouraging long term development of indigenous capacity, fostering a viable market economy and promoting rule of law and democratic institutions. Additional Stability manuals, handbooks and instructions have

[1] US Army Field Manual 100-5, *Operations,* June 1993. Later in Joint Publication 3-07, *Joint Doctrine for Military Operations Other than War,* June 1995.

[2] Defense Science Board Report, "Transition to and from Hostilities," 2004.

[3] Martins, Mark S. "The Commander's Emergency Response Program," *Joint Force Quarterly,* No.37.

[4] Ibid.

emerged since 2005, but they have only refined and built upon the policy set forth in DODD 3000.05. In short, in a span of just over 15 years, the US Military significantly altered its operational framework, increasing its responsibilities and requirements in an effort to improve stability, foster economic growth and engage in reconstruction activities where it is employed and engaged. Table 1 shows the timeline of key events related to the US Military and Stability Operations.

Table 1: Key Events related to the US Military & Stability Operations:
1984: US Institute of Peace (USIP) Established
Dec 1990: US Army Field Manual 100-20, *Military Operations in Low Intensity Conflict* Published
28 Feb 1991: US Military ends Combat Operations in Gulf War (Operation Desert Storm)
Apr 1991: US Military Operations in Northern Iraq (Operation Provide Comfort)
Dec 1991: Soviet Union Dissolves / Nominal End of Cold War
Dec 1992: US Military Operations in Somalia Begins (Operation Restore Hope)
Jun 1993: US Army Field Manual 100-5, *Operations* Published and includes Chapter on Operations Other Than War
Sep 1994: US Military Operations in Haiti Begins (Operation Uphold Democracy)
Dec 1994: US Military Operations in Macedonia Begins (Operation Able Sentry)
Dec 1994: US Army Field Manual 100-23, *Peace Operations* Published
Jun 1995: US Military Joint Publication 3-07, *Joint Doctrine for Military Operations Other Than War* Published
Dec 1995: US Military Operations in Bosnia-Herzegovina Begins (Operation Joint Endeavor)
Jun 1999: US Military Operations in Kosovo Begins (Operation Joint Guardian)
Jun 2001: US Army Field Manual 3-0, *Operations* Published superseding FM 100-5, incorporating the concept of Stability Operations
11 Sep 2001: Terrorists Attack World Trade Center & Pentagon

7 Oct 2001: US Military Operations in Afghanistan Begins (Operation Enduring Freedom)
Jan 2002: US Military Operations in the Philippines Begins (Operation Enduring Freedom-Philippines)
17 Sep 2002: The National Security Strategy of the United States of America Published, elevating Development activities to same importance as Defense and Diplomacy creating Three Ds of National Security
Dec 2002: First Provincial Reconstruction Team (PRT) Established in Afghanistan at Gardez
19 Mar 2003: US Military Operations in Iraq Begins (Operation Iraqi Freedom)
May 2003: US Military utilized seized Iraqi Regime Funds in the Brigade Commander's Discretionary Recovery Program to Directly Benefit the Iraqi People
Jun 2003: US Military in Iraq renames program Commander's Emergency Response Program (CERP) and Fragmentary Order 89 Published by Combined Joint Task Force-7 sets initial guidelines for utilization
Nov 2003: CERP becomes an appropriated program for use in Iraq and Afghanistan
2003: US Army Peacekeeping and Stability Operations Institute (PKSOI) Established
Jul 2004: State Department Office of the Coordinator for Reconstruction and Stabilization (S/CRS) Established as the first USG entity created to address Stability Operations
Aug 2004: Defense Science Board Report *Transition to and from Hostilities* Published recommending codifying Stability Operations as a core mission of the US Military
Nov 2005: First PRT Established in Iraq at Ninewa
28 Nov 2005: Department of Defense Directive (DODD) 3000.05 *Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations* Published
7 Dec 2005: National Security Presidential Directive (NSPD) 44 *Management of Interagency Efforts Concerning Reconstruction and Stabilization* Published
2005: USAID establishes Office of Military Affairs
Jun 2006: USAID field Tests and initiates implementation of Tactical Conflict Assessment Framework (TCAF)
Dec 2006: Army Field Manual 3-24, *Counterinsurgency* (COIN) Published
Dec 2006: US Military *Joint Operating Concept for Military Support to Stabilization,*

Security, Transition, and Reconstruction Operations Published
2006: US Army and US Marine Corps establish the COIN Center at Fort Leavenworth
Sep 2007: CALL Handbook 07-34, *Provincial Reconstruction Team Playbook* Published
Feb 2008: US Army Field Manual 3-0, *Operations* Revised, nesting Stability Operations within all operational themes and elevating it to co-equal status with Offensive and Defensive Operations
Feb 2008: First US Military Agribusiness Development Team deploys to Nangarhar Province Afghanistan
Mar 2008: CALL Handbook 08-12, *Commander's Emergency Response Program* Published
Oct 2008: US Army FM 3-07, *Stability Operations* Published (USAID TCAF noted in Annex)
2009: Center for Complex Operations (CCO) Established at National Defense University
2009: Official first year of USG Civilian Response Corps under S/CRS
Apr 2009: CALL Handbook 09-27 *Commander's Guide to Money as a Weapons System* Published
Apr 2009: US Army FM 3-24.2, *Tactics in Counterinsurgency* Published
10 Aug 2009: *USG Integrated Civilian-Military Campaign Plan For Support to Afghanistan* Published
Sep 2009: CALL Handbook 09-48 *Developing a Performance Work Statement* Published
16 Sep 2009 Department of Defense Instruction (DODI) 3000.05 *Stability Operations* Published, replacing DODD 3000.05
Nov 2009: CALL Handbook 10-10 *Agribusiness Development Teams in Afghanistan* Published
Nov 2009: *Guiding Principles for Stabilization and Reconstruction* Published by USIP & PKSOI
2009: District Support Teams (DST) Established in Afghanistan
2010: USAID unveils District Stability Framework (DSF)
May 2010: CALL Handbook 10-41 *Assessments & Measures of Effectiveness in Stability Operations Handbook* Published

23 Nov 2010: US Military COIN Qualification Standards for Pre-Deployment Training Mandated for all Services (Task 7: Create Conditions for Stability)
Feb 2011: US Forces Afghanistan Publication 1-06, *Money As A Weapons System Afghanistan* (MAAWS-A) Published
Feb 2011: *USG Integrated Civilian-Military Campaign Plan For Support to Afghanistan Revision 1* Published

Source: Authors' reconstruction from historical records

CERP Objectives and Funding

As Stability Operations have become a critical part of US Military strategy, economic development and reconstruction efforts have taken center stage. Aid is being used to isolate and reduce insurgency, provide employment to local Afghans, and support the campaign to gain support and "win hearts and minds." The Commander's Emergency Response Program (CERP) is a congressionally appropriated fund for commanders to use specifically for development and stabilization projects. The US Army Handbook on CERP, *Commander's Guide to Money as a Weapons System* states that the goals of the program are to:

> …enable local military commanders in Afghanistan to respond to urgent humanitarian relief and reconstruction requirements within their respective areas of responsibility by executing programs that immediately support the indigenous population. The program is restricted to certain project categories such as water and sanitation, electricity, healthcare, and education. The intent of the program is for projects to achieve "focused effects" with an emphasis to meet urgent humanitarian needs and providing maximum employment opportunities for the Afghan people.[5]

CERP is by definition a development program, often operating in the same project space as traditional development actors such as USAID. It has a "decentralized and streamlined" process for project approval to ensure timely disbursements of money.[6] CERP is the main mechanism through which the US Military conducts development, in conjunction with DOD security programs such as the Afghanistan Security Forces Fund (ASFF). These efforts are complemented by development assistance programs through other branches of government, namely USAID and the State Department.

[5] US Forces Afghanistan Publication 1-06, *Money As A Weapons System Afghanistan* (MAAWS-A), Feb 201l, 2.

[6] Ibid.

In US operations in both Iraq and Afghanistan, foreign assistance plays a key role in stability and reconstruction efforts. Since FY2002, nearly $62 billion has been appropriated for relief and reconstruction in Afghanistan.[7] Since 2003, over $61 billion has been appropriated for Iraq.[8] A large portion of this assistance is committed to economic and social development efforts, which are increasingly seen as a key component of counterinsurgency efforts and US Military Stability Operations. In Afghanistan 26.2 percent of total foreign assistance is for governance and development, second only to security-related aid at 56.4 percent of the total.[9]

The US Military is a significant player in foreign assistance in Afghanistan. From the data described in the figures to follow, it is clear that the US Military is increasingly taking an active role not only in security, but in reconstruction, stability and development activities. In Afghanistan over 60 percent of the US funds supporting Afghanistan reconstruction efforts are allocated via the Department of Defense (DOD). Other USG agencies are involved, but their participation pales in comparison: 18.0 percent of the appropriations have been to USAID, 4.6 percent to the Department of State (DOS), and 16.7 percent % to other agencies including Department of Justice, Department of Agriculture, and Department of Treasury.[10] Due to security concerns and the kinetic nature of certain regions in which other USG agencies cannot operate well or will not operate the US Military is engaged in both stability and development efforts. For instance, PRTs in Afghanistan are key implementers of US assistance programs and are designed to be comprised of both USG civilian and military personnel. The reality is that PRTs are directed and heavily influenced by military officers, who are responsible for administering CERP funding, life support, logistics, and security requirements for the entire team. Historically, there have been only three to five USG civilians among a total PRT of 50-100 personnel. A report by the Special Inspector General for Afghanistan Reconstruction (SIGAR) in January 2009 showed that there were 1,021 military personnel and only 35 USG civilians in all US PRTs in Afghanistan.[11] Over the past two years, however, there has been a significant increase in the USG civilian presence in Afghanistan due to calls for a Civilian Surge. According to the Department of State, the number of USG civilian personnel in Afghanistan has increased from 261 to 1,300

[7] Special Inspector General for Afghanistan Reconstruction (SIGAR), "Quarterly Report to the United States Congress," April 2011, 42. FY2011 appropriations reflect only amounts made available under continuing resolutions, not amounts made available under P.L. 112-10.

[8] Special Inspector General for Iraq Reconstruction (SIGIR), "Quarterly Report to the United States Congress," April 2011, 3.

[9] SIGAR Quarterly Report, April 2011, 41.

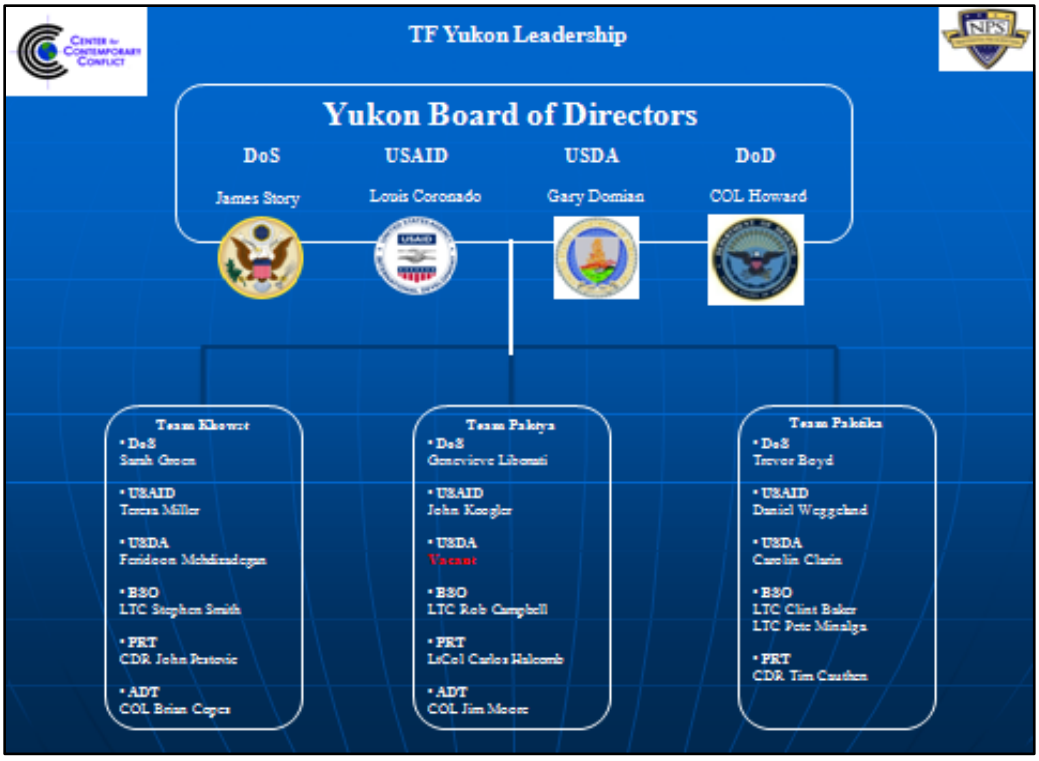
[10] Ibid, 41.

[11] Tarnoff, Curt, "Afghanistan: U.S. Foreign Assistance," *Congressional Research Service Report for Congress*, 14 July 2009, 3.

between January 2009 and June 2011 and the total is projected to rise to 1,450 civilians operating in the region by mid-2014.[12] Many of these USG civilians were incorporated into military tactical units at the brigade level and into newly created District Support Teams (DSTs), which resembled PRTs in structure but operationally focused on projects at the district level in Afghanistan.

Regardless of their numbers, USAID and DOS personnel assigned to PRTs and DSTs have access to several different USG Agency funding mechanisms to promote stability and development in their regions. These funding mechanisms, however, are not always available or timely for use and USG civilians, in turn, rely heavily on CERP funding to carry out projects. US Military tactical units are also involved in utilizing CERP authority and in many cases have incorporated USG civilians into a *Board of Directors* approach to identifying, synchronizing and funding projects. Figure 1 illustrates the *Board of Directors* structure utilized by Task Force (TF) Yukon, 4th Brigade, 25th Infantry Division, during their deployment to Afghanistan in 2009.[13]

Figure 1: An Example of Command Structures in Afghanistan

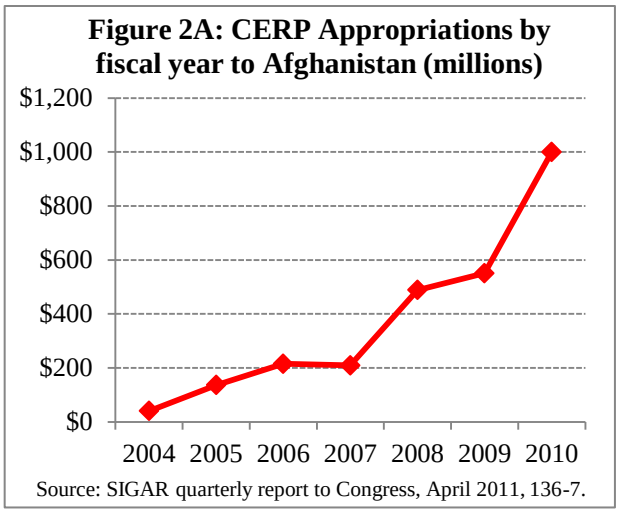


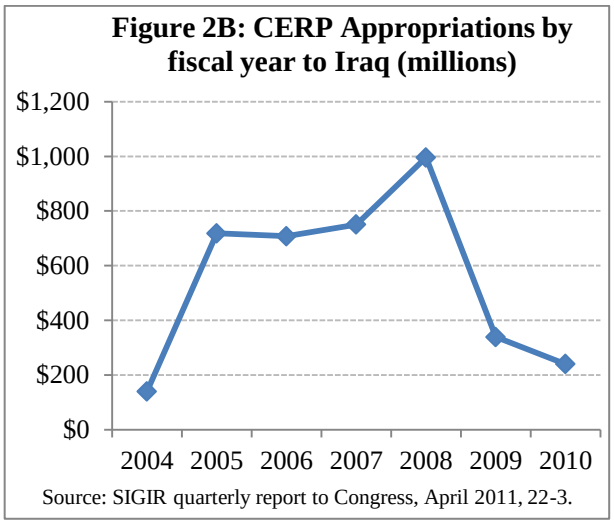
[12] US Senate, Committee on Foreign Relations, "Evaluating US Foreign Assistance to Afghanistan: for the 112th Congress," 8 June 2011, 6.

[13] Russell, James, "Innovations in War: Military Operations in Afghanistan and Iraq" located at http://www.nps.edu/Academics/centers/CCC/faculty/biolinks/russell/CentComAfPakTalkApril2010.pdf , accessed 12 May 2011.

The US Military also began deploying Agribusiness Development Teams (ADTs) in 2008 in order to augment PRT and USDA agricultural expertise and to assist in the revitalization of Afghanistan's agribusiness sector.[14] USG civilian numbers increased in 2009 and 2010 in response to calls for a civilian surge, yet US Military personnel still represent the majority of those involved with the implementation of stability and development efforts on the ground in Afghanistan.[15]

The Commanders Emergency Response Program (CERP) is the main US Military funding source, used for stability and development projects in Afghanistan. It provides US Military commanders with "walking around money" used for projects to address urgent reconstruction and relief efforts. US Military funding requests for CERP have increased dramatically since its inception in late 2003; from $40 million for CERP in Afghanistan in 2004 to over 1 billion in 2010.[16] The CERP allocation for Afghanistan is now about 5 percent of Afghanistan's GDP. Figures 2A and 2B show the appropriations for CERP in Afghanistan and Iraq.





To date, Congress has appropriated $2.64 billion for CERP in Afghanistan and $3.98 billion in Iraq.[17] In Afghanistan, the money allocated for CERP alone is almost equal to the entire amount appropriated to the State Department during that same time period

[14] 2008 Army Posture Statement, "Agribusiness Development Team." http://www.army.mil/aps/08/information_papers/other/ARNG_Agribusiness_Development_Team.html, accessed 12 May 2011.

[15] "US Civilian Uplift in Afghanistan is Progressing but Some Key Issues Merit Further Examination as Implementation Continues," *SIGAR Report,* 26 Oct 2010, ii.

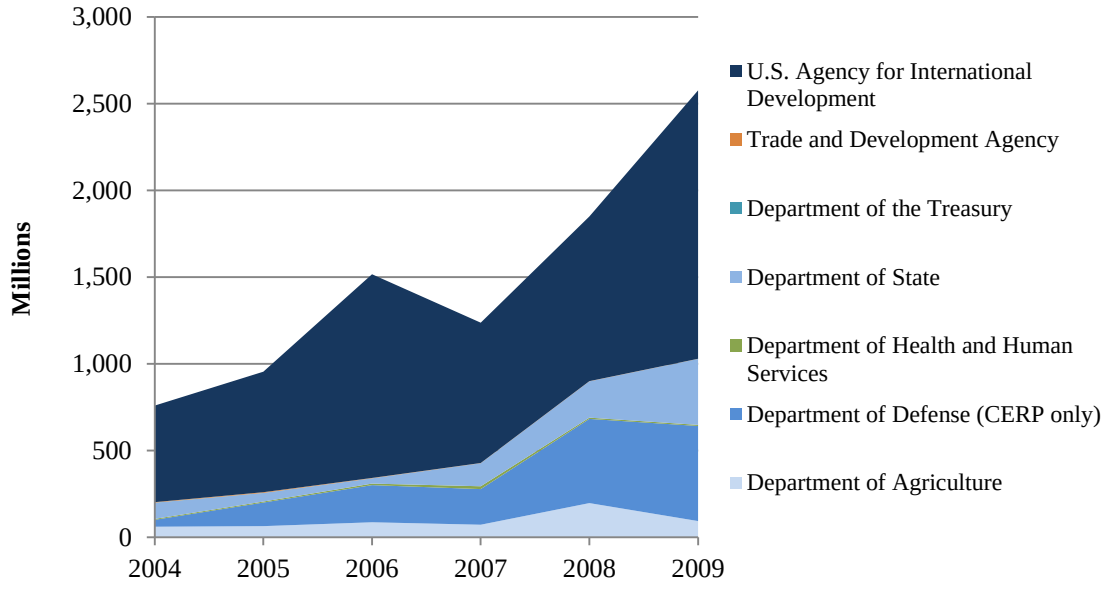
[16] SIGAR Quarterly Report, April 2011, 136-7.

[17] SIGAR and SIGIR April 2011 Quarterly Reports.

($2.86 billion).[18] CERP is becoming an integral piece of reconstruction funding and efforts, and is a clear example of the extent to which the US Military is engaged in reconstruction and development-like projects in conflict environments. Figure 3 shows foreign assistance disbursements in Afghanistan by USG agencies for the period 2004-2009 while Figure 4 shows total US military disbursements including that of the Afghanistan Security Support Fund (ASFF). CERP alone represents a significant source of assistance funding (Figure 3); when the ASFF is included in total Department of Defense (DOD) spending (Figure 4), it is clear that the DOD receives the majority of foreign assistance funding for Afghanistan.

This funding is channeled into tasks traditionally reserved for USAID and other USG development agencies. A breakdown of CERP spending projects by sector in Afghanistan (Figure 5) could easily be mistaken for a breakdown of USAID projects, as all sectors listed are traditionally considered to be in the development space. Figure 6 shows a breakdown of USAID projects, for a point of comparison. Over time, CERP funding has increasingly gone to transportation projects; investments in roads have also increased the average cost of CERP projects (Figure 7).

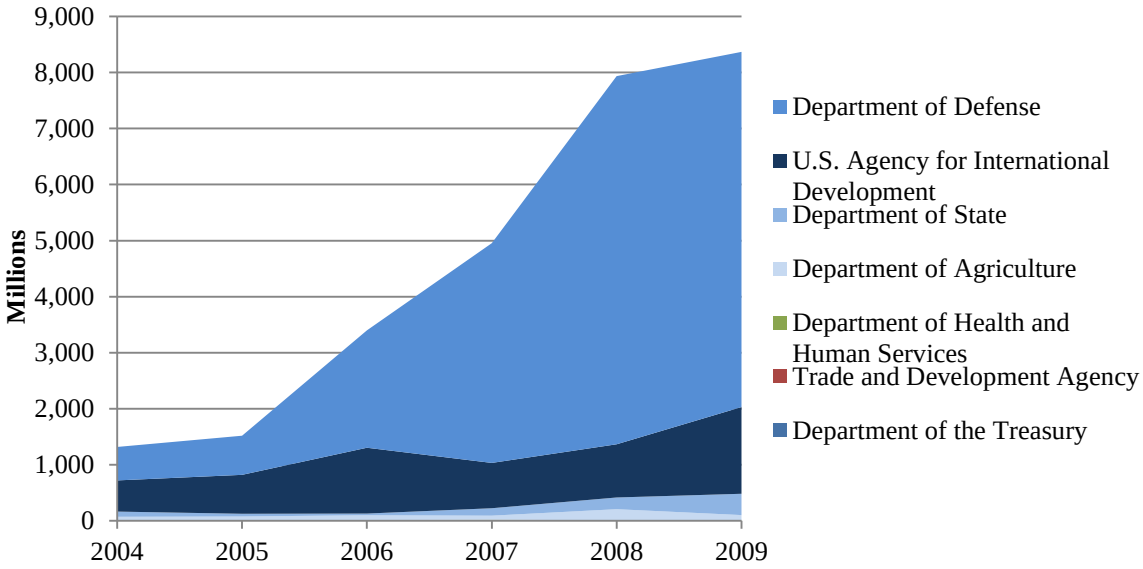
Figure 3: Foreign Assistance Disbursements in Afghanistan by Agency, 2004-2009
***DOD is CERP only**



Source: U.S. Overseas Loans and Grants, Obligations and Loan Authorizations, "USAID Greenbook."

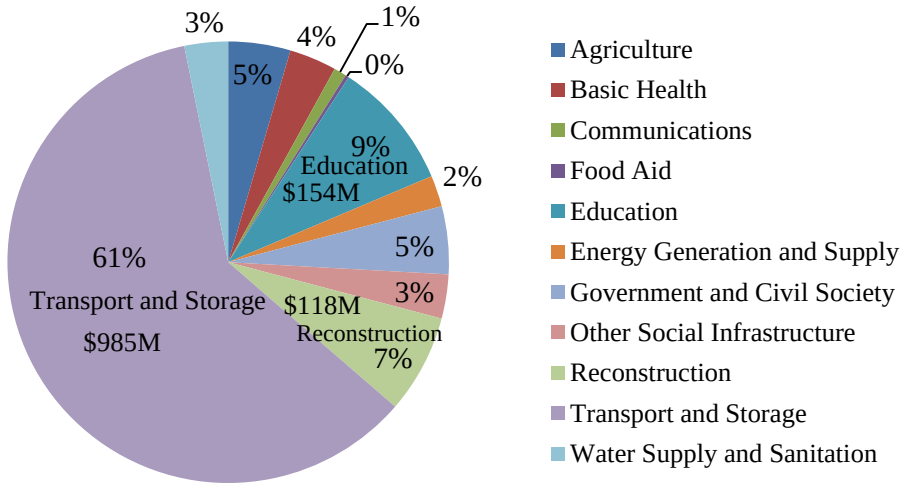
[18] SIGAR Quarterly Report, April 2011, 41.

Figure 4: Foreign Assistance Disbursements in Afghanistan by Agency, 2004-2009
***DOD includes CERP, ASFF, and other Military Assistance**



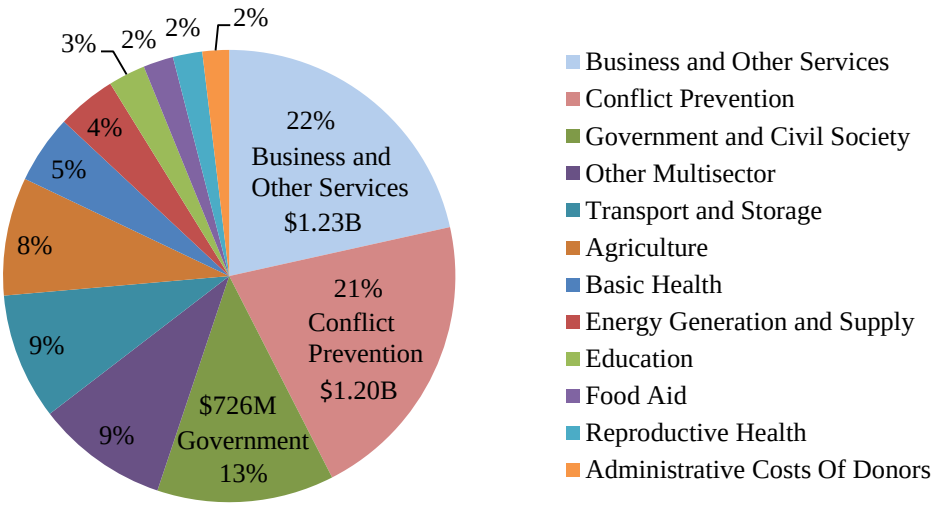
Source: U.S. Overseas Loans and Grants, Obligations and Loan Authorizations, "USAID Greenbook."
Note: Military assistance includes Peacekeeping Operations, Military Assistance Program Grants, International Military Education and Training, Foreign Military Financing Program, Transfer from Excess Stock, ASFF

Figure 5: CERP Disbursements by Sector in Afghanistan, 2004-2009



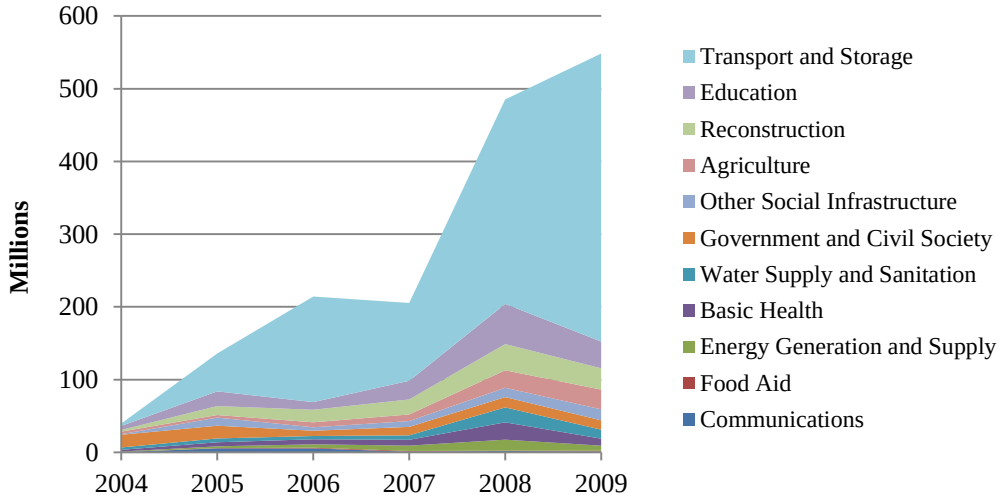
Source: U.S. Overseas Loans and Grants, Obligations and Loan Authorizations, "USAID Greenbook."

Figure 6: USAID Disbursements by Sector in Afghanistan, 2004-2009



Source: U.S. Overseas Loans and Grants, Obligations and Loan Authorizations, "USAID Greenbook."

Figure 7: CERP Disbursements by Sector over Time

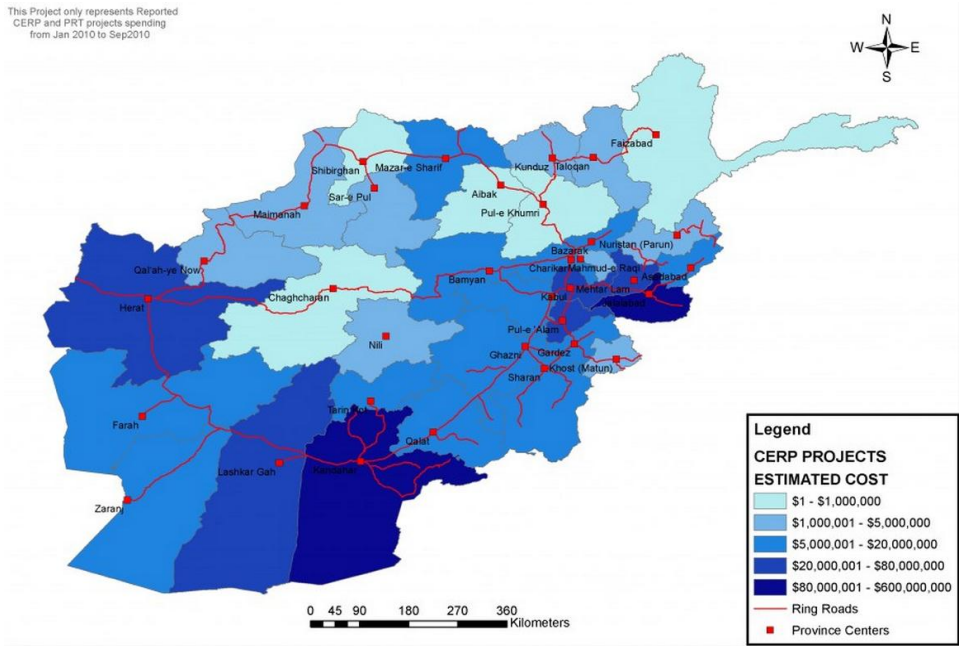


Source: U.S. Overseas Loans and Grants, Obligations and Loan Authorizations, "USAID Greenbook."

A map of CERP spending in 2010 illustrates that the areas to receive the largest amount of money are also the most insecure and violent areas, with the largest number of troops (Figures 8 and 9). The prioritization of unstable areas over more peaceful ones is a point of contention for many Afghans; some feel that they are penalized for peace. However, even USAID recognizes these areas as a priority. It has stated that its

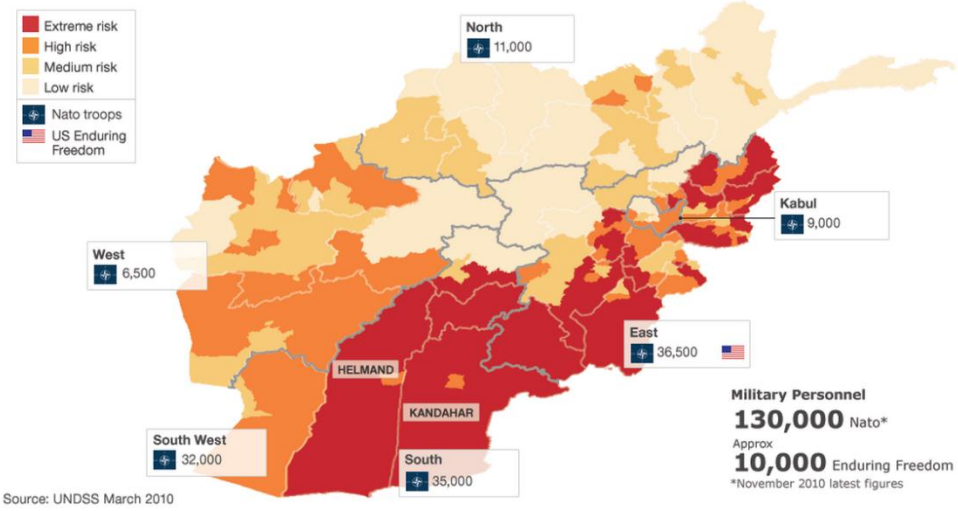
programs are part of the larger strategy and that it will focus on areas of importance to the military. [19]

Figure 8: CERP Spending by Province, 2010



Source: Public Intelligence "Afghanistan Commander's Emergency Response Program Spending Data, 2010-2011, December 2010.

Figure 9: Afghan Troop Map, 2010



Source: "Afghan Troop Map--US and NATO Deployments" *BBC News*, November 2010

[19] Wilder, Andrew and Gordon, Stuart "Money Can't Buy America Love," *Foreign Policy*, 1 December 2009.

Based on current doctrine and its ongoing involvement in Afghanistan, the US Military will likely be responsible for projects outside of the traditional security realm for some time to come. This is especially relevant because of pending fiscal issues and cuts to USG civilian agencies. The International Affairs budget (the 150 Account) which includes State, USAID, Millennium Challenge Corporation, Peace Corps among others, is facing dramatic budget cuts and fiscal instability. The FY2010 enacted budget appropriated $54.4 billion to the 150 Account; the first FY2011 continuing resolution put forth by the House Appropriations committee (H.R. 1) cut the 150 Account to $46 billion. In the 2011 budget deal reached on April 12, the 150 account was cut to $48.2 billion, an 11 percent cut from the 2010 level.[20] Funding for DOD, on the other hand, remains more stable. As more cuts are made to the International Affairs budget, it is possible that the US Military may be tasked to conduct even more development, governance, and humanitarian relief projects that were traditionally under the mandates of other USG agencies.

In sum, the US Military is already substantially engaged in the development realm beyond stability efforts, and it is likely that the military will continue conducting development-like projects in parts of Afghanistan, the Philippines, and in other areas of the globe, for years to come. Our goal then is not to discuss the question of whether the US military should be involved in development. Rather, noting that it already is, we examine how to make this involvement as effective as possible.

Challenges and Tensions

Mode of Operation

The primary difficulty in implementing Expeditionary Economics is that the party carrying out development assistance (the US Military or USG more broadly) is also the party engaged in conflict. David Kilcullen, a leading counterterrorism expert, has termed this phenomenon "Opposed Development" and argues that it presents a very different set of challenges than that of traditional post-conflict activities where the kinetic phase is completed and/or has been carried out by another party (eg. Bosnia). Kilcullen argues that there are multiple scenarios in which development activities take place.[21] The classic environment in which USAID was designed to operate is peacetime or post-conflict, where there is no enemy, and development professionals face the usual problems of corruption, lack of sustainability etc. A second scenario is an environment with the presence of an active terrorist organization, where there are the usual problems of development traps as well as the presence of an enemy, which dramatically raises the risk of operations. The third scenario (and one that most closely reflects the

[20] Connie Veillette and Casey Dunning, Center for Global Development, in-person interviews.

[21] David Kilcullen. Remarks delivered at "Opposed Development: Concept and Implications." Event at the United States Institute of Peace, Washington DC, 16 June 2010.

reality in Afghanistan) is running aid programs in a counterinsurgency environment, where there is a threat of terrorist activity, as well as an organized enemy that is running its own development and political programs. In this situation we are confronted not only with carrying out development activities in a high risk environment, but also with the threat of competition for the delivery of public services. The target population now has a choice between your efforts and services and those of the enemy.[22] How does the US Military, then, prepare itself to face such in-conflict challenges?

Goals

The goals of economic development and stability have dominated the discourse on Afghanistan and Iraq. In theory, they complement each other but in practice, the pursuit of these goals has raised a number of challenges. First, there is confusion between the aims and implementation strategies of stability, humanitarian assistance, and economic development. Time horizons of implementation and expectations for success clash--development programs often cannot be conducted and proven successful in a limited timeframe. In current military doctrine, there appears to be a conflation between humanitarian assistance, economic development, and stability.[23] Humanitarian aid saves lives by providing food, water and basic services; it requires the capacity for rapid response and is often directly provided by the donor government. Development programs on the other hand, are often focused on building local capacities and institutions. The staff in bilateral aid agencies often works with local communities to share knowledge and provide resources so that the population is able to sustain itself in the long term.

There are clear instances where humanitarian assistance is necessary because basic needs must be met before long term sustainability can even be discussed. Yet, humanitarian assistance over a long period of time can actually undermine development efforts. Food aid or "food for work" projects are a good example. They provide immediate consumption and will satiate a population. Yet over time, the provision of free, donated food undermines incentives to increase agricultural production and might even destroy nascent local industries. The balance between critical short term relief efforts and long term capacity building is a delicate one, and both types of responses are needed in places like Afghanistan.

The goals of development and stability may also contradict each other. Efforts to rapidly modernize can sometimes be a strong force for destabilization. Rapid growth is not simply capital accumulation; it involves vast changes in the structure of the economy and the way that people live and work. It means dramatic changes in the distribution of

[22] Ibid.

[23] Department of Defense Instruction 3000.05, Stability Operations, 16 Sep 2009.

income. These changes put pressure on the social fabric of an environment; traditional classes and relationships can be destroyed by social mobility provided by income growth. Essentially, rapid development creates winners and losers when there is a zero-sum mentality and not everyone is guaranteed to win. The tension between the winners and losers can act as destabilizing forces in both the social and political spheres, especially when situated in an already unstable environment. Andrew Wilder, an expert on Afghanistan, has argued that the country's history does show that efforts to rapidly develop have not led to stability. For instance, large aid flows during the Cold War fostered new social trends, including the Islamist and Communists movements at Kabul University which fueled political instability.[24] It is important to recognize the unintended consequences of rapid and unplanned development. Prior to implementing development programs, there needs to be a comprehensive understanding of the local culture and how income growth might disrupt traditional social structures.

Too much aid money can also destabilize. Afghanistan may not be able to effectively absorb external aid flows the size of the entire economy, and large quantities of money spent with little oversight may fuel corruption and generate perverse incentives.[25] One study reported in *The Nation* estimated that as much as ten percent of the money for DOD's logistics contracts ended up in the hands of insurgents.[26] This problem does not go unnoticed; perceptions of corruption are the main criticism among Afghans of international aid efforts, and have the potential to erode confidence and trust in government and international forces.[27] A recent analysis of reconstruction and development assistance in Helmand Province concluded that aid "may have as many negative, unintended effects as positive ones and, at the very least, is not a panacea."[28]

Afghanistan is not unique in the unintended consequences of aid. A Center for Global Development Study Group on US Strategy in Pakistan spelled out three specific ways in which development aid can be harmful.[29] First, there is a cost to spending aid on programs that are not likely to succeed, including negatively impacting public

[24] Wilder, Andrew, "Losing Hearts and Minds in Afghanistan," Middle East Institute Viewpoints Special Edition: *Afghanistan 1979-2009: In the Grip of Conflict*, December 2009, 144.

[25] "Winning Hearts and Minds in Afghanistan: Assessing the Effectiveness of Development Aid in COIN Operations," Report on Wilton Park Conference 1022, March 2010, 2-4.

[26] Wilder, Andrew and Gordon, Stuart "Money Can't Buy America Love" *Foreign Policy*, December 1, 2009.

[27] Wilder, Andrew "Losing Hearts and Minds," 145. Wilder references the research by the Feinstein International Center at Tufts University directed by Stuart Gordon (see below).

[28] Gordon, Stuart, "Winning Hearts and Minds? Examining the Relationship between Aid and Security in Aghanistan's Helmand Province," Feinsten International Center, April 2011. 54

[29] Birdsall, Nancy, Wren Elhai and Molly Kinder "Beyond Bullets and Bombs: Fixing the U.S. Approach to Development in Pakistan" Center for Global Development, June 2011, 30-31.

perceptions. Second, aid can fuel corruption and create "new flashpoints for conflict." Third, foreign assistance can fill holes in local government budgets and spending programs, allowing domestic policymakers to avoid tough decisions and undermining governance in the long term. These potential consequences illustrate the need for well-planned programs. They also show that aid is not a guarantee of good outcomes; throwing money at a problem is usually not the solution.

Strategies for the implementation of development projects and stability projects designed to win hearts and minds may also be in conflict. Both Kilcullen and the authors of the US Military counterinsurgency doctrine make the argument that the fundamental requirement for a successful counterinsurgency is control.[30] But CERP is designed for a much broader set of objectives, to legitimize actions of the US Military and create goodwill among the local population, while also addressing instability and providing some development assistance.[31] Some observers have suggested that CERP is most effective at stabilization by buying support and loyalty from locals through *quid-pro-quo* transactions. The difficulty is that, as of yet, there is no proven link that aid leads to goodwill, or that job creation will reduce insurgency.[32] Current strategies are built on the assumptions that (1) poverty is a key driver of insecurity (2) economic development will stabilize a region and (3) aid will help legitimize the government. These assumptions need to be recognized as such.[33] It is difficult for aid programs to address all of the various factors of insecurity. [34] Nonetheless, aid can be a worthwhile tool and CERP is an experiment that may well yield valuable lessons on how to do "opposed development."

Stability and Development Frictions

The emergence of CERP has created some friction between the US Military and existing USG agencies that deliver foreign assistance. In its District Stability Framework (DSF),

[30] Kilcullen, David "Three Pillars of Counterinsurgency." Remarks delivered at US Government Counterinsurgency Conference, Washington, DC, 28 September 2006. Also, US Army Field Manual 3-24, Counterinsurgency, dated Dec 2006.

[31] US Forces Afghanistan Publication 1-06, *Money As A Weapons System-Afghanistan*, dated Feb 2011, 10-11.

[32] See Berman et al, "Do Working Men Rebel? Insurgency and Unemployment in Iraq and the Philippines;" Berman et al, "Can Hearts and Minds Be Bought? The Economics of Counterinsurgency in Iraq;" Blair et al, "Poverty and Support for Militant Politics: Evidence from Pakistan."

[33] A recent evaluation by the US Senate Committee on Foreign Relations concluded that USAID and the Department of State also need to reevaluate stabilizations programs and challenge the underlying assumptions. ("Evaluating US Foreign Assistance to Afghanistan", 8 June 2011).

[34] "Winning Hearts and Minds in Afghanistan: Assessing the Effectiveness of Development Aid in COIN Operations," Report on Wilton Park Conference 1022, March 2010, 4.

USAID's Office of Military Affairs lays out a blueprint for how stability and development activities can be delineated between USAID and the US Military. Developed as a five-step process, DSF is a methodology for use in Stability Operations to identify local Sources of Instability (SOI) and design projects that would mitigate those SOIs.[35] The USAID delineation between stability and development is probably best summed up by the DSF training slide in Figure 10 below:

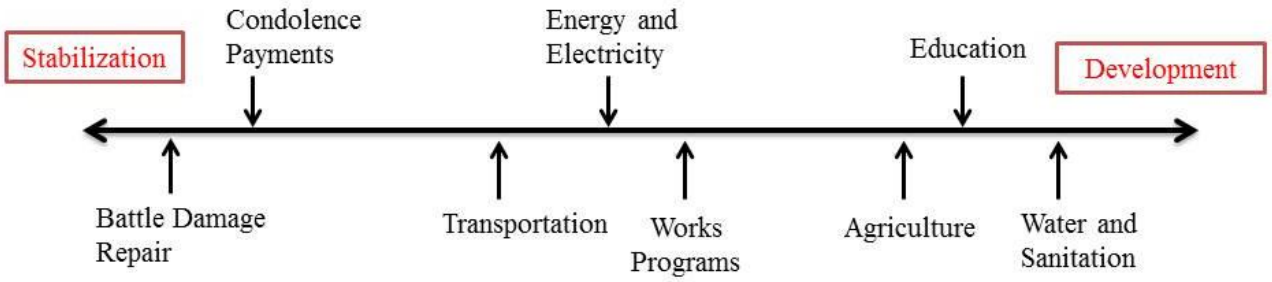
Figure 10: Development vs. Stability

Although one can divide the concepts of stability and development, in practice, it becomes much more complicated. The reality is that it is very difficult for the US Military to remain within the lines of stability, focusing projects only on SOIs. The construction of a road, for instance, can be a development project to build infrastructure, connecting local suppliers to markets and lowering transaction and transportation costs in the region. Yet the construction of better roads also assists military operations, helping the US Military transport supplies, equipment and increasing visibility of buried Improvised Explosive Devices (IEDs). A look at the data in Figure 5 shows that a fairly large share of CERP funds are being spent on things that are either both stability and development-related or hard to define. For example, does $985 million spent on transportation and the construction of roads help achieve the goal of stability or does it promote longer-term development? What are the effects of $118 million spent on infrastructure? How does the $154 million spent on education programs and school construction assist in stabilizing Afghanistan? An examination of the activities for which CERP money is being

[35] "District Stability Framework," USAID Military Affairs, http://www.usaid.gov/our_work/global_partnerships/ma/dsf.html, accessed 12 May 2011.

used shows that it is very difficult to distinguish stability and development objectives in all but a few cases. One can think of the activities of the US Military and of USAID along a continuum, as in Figure 11 below:

Figure 11: The Stabilization-Development Continuum



There is no clear line that can be drawn down the middle dividing stabilization from development activities. The reality is that both the US Military and USAID are often operating in the same space. The development activities funded by CERP need to be acknowledged in this context. Both organizations have their strengths and weaknesses; USAID cannot operate in some of the most dangerous yet strategically important areas. CERP projects are often criticized for building schools with no teachers or clinics without nurses. Perhaps these criticisms also identify space for collaboration, where the comparative advantage of CERP and of USAID can be utilized to provide development assistance in in-conflict situations.

Andrew Natsios, former administrator of USAID, highlights the tension within CERP between visibility and viability.[36] Development projects which are extremely visible, such as the construction of a road or the distribution of food bags stamped with American logos, are the ideal programs for a strategy to win hearts and minds. They are big projects that are easily attributable to the US government and can be used as a source of legitimization and local support. Yet these projects are also the most volatile and less likely to succeed as they are easy targets for insurgents. On the other hand, projects that are more effective from a development point of view might be less visible. This is money directly blended into the local economy and by nature of their invisibility; projects cannot become targets for insurgents as it is impossible to distinguish who is a recipient and who is not. This is a challenge for CERP and for the US Military, and perhaps for USG civilian agencies as well.

[36] Natsios, Andrew. Remarks delivered at "Opposed Development: Concept and Implications." Event at the United States Institute of Peace, 16 June 2010.

Five Practical Solutions

How can CERP achieve its objectives and work better with its partners, including USAID? Here, we present five practical solutions, inspired by the concepts of *Expeditionary Economics*, and based on the challenges identified above.

1. Improve Education & Training

The U.S. Military should augment its current educational and training programs so that officers can cope with the complexities, challenges and issues involved with conducting stability operations and in-conflict development.

Require Economics, Business and Development Courses in funded Undergraduate Education. The military should require the study of economics, business and development principles in its funded undergraduate civilian degree programs. Currently, economics, business, and development courses are not mandatory for the majority of military officers and many may graduate from universities without any significant knowledge of these topics. Requiring undergraduate courses in these topics would alleviate this shortcoming while providing a base of knowledge that could be expanded upon through graduate studies, at military education courses, and in training. Basic level micro and macroeconomic courses, courses that teach business principals and analysis, marketing, finance, markets, and trade would provide a robust base of knowledge at the beginning of a military officer's career that could be applied within almost any operational assignment.

***Revise US Military Education Courses*.** US Military Education Courses should be revised to reflect the realities of the current operating environment. Stability and Counterinsurgency based operations have dominated U.S. operations since the end of the Cold War yet curricula has not shifted adequately to reflect such. More focus should in turn be placed on preparing officers to operate in complex environments where understanding local social, economic and political issues is paramount to mission success. Military Education courses should then expose military officers to basic anthropological concepts, conflict mitigation and negotiation concepts, how to conduct a needs assessment, and project management. All are critical skills needed to navigate today's complex operating environment and to efficiently implement CERP authority. Building upon economics, business, and development knowledge gained from undergraduate programs would also prepare officers to implement stability and development CERP projects. One way to tie many of these topics together is by using case studies and practical exercises that illustrate how to utilize the District Support Framework, or other needs assessment frameworks, to determine best uses for CERP.

Broaden Assignment Opportunities & Experiences. Military officer's careers are dominated by assignments within their own service and primarily at the tactical and operational levels. While this has helped to develop highly skilled tacticians, it does not sufficiently broaden the exposure to the types of USG agencies, international entities, and divergent concepts one will face in the current and future operating environment. There are some programs that place officers into non-military environments, such as the Army's Interagency Fellowship Program and Training with Industry Program, but these are limited in scope and involve relatively few officers. These programs should be expanded, increasing the number of officers involved and broadening the number of organizations that participate. Interagency exposure is important and the numbers of detailed officers to USAID, USDA, DOS, S/CRS, as well as others should be significantly increased. Of further importance, is broadening the opportunities for officers to be exposed to a greater number of US businesses, entrepreneurial organizations, and to USG think tanks such as USIP, PKSOI, the RAND Corporation, and the Center for Complex Operations. Experiences and interactions with cross-discipline policy organizations, true entrepreneurs, and business ventures would provide officers a significant learning experience that would offer a breadth of knowledge that could be used in today's operating environment. Non-Governmental Organizations focusing on international development should also be considered.

***Enhance Training Scenarios at Military Training Centers*.** Combined Training Centers (CTCs) and formal military exercises should develop complex scenarios that test the US Military's competency in economic sector assessments and implementation of CERP projects. The focus of the scenarios could be on identifying the social, political, and economic drivers of a particular operating environment and conducting a realistic sector assessment, which would then be linked to identifying CERP projects. Replicating the CERP decision making process at CTCs would help prepare US Military units to carry out CERP authority more efficiently while deployed. Many of the recommendations made by Rebecca Patterson and Jonathan Robinson in their article, "*The Commander as Investor,"* should also be infused into the training scenarios at CTC.[37] Important concepts such as consulting local leaders, creating project transparency for the local populace, incentivizing stability instead of violence, knowing how to identify entrepreneurs, and focusing on outcomes not inputs are key lessons US Military personnel should be well versed on prior to deployments.

Incorporating actual USG agency civilians in training exercises would also help to replicate the operating environment the US Military will encounter while deployed (no easy feat considering USG agency caps on training time prior to deployments and

[37] Rebecca Patterson and Jonathan Robinson, "The Commander as Investor: Changing CERP Practices," *Prism 2*, No. 2, March 2011.

differing views of the benefits of training).[38] Simulating a USG *Board of Directors* approach to implementing CERP at CTCs would also give US Military units a unique understanding of the many USG stakeholders and viewpoints involved in an operating environment such as Afghanistan. Role-playing a USG *Board of Directors* approach will also create an experience that US Military units can learn from and use to further develop their operational campaign plans and Lines of Effort prior to a deployment. One potential solution for USG agency participation is to utilize the USG Civilian Response Corps (CRC) for training events. USG CRC personnel bring unique skills, ideas and experiences that would enhance any scenario, practical exercise or planning session. Furthermore, the USG CRC was designed as an expeditionary entity that could be rapidly deployed to conflict zones to provide stabilization assistance.[39] Linking the USG CRC to US Military units preparing to deploy, in turn, seems like a logical connection. Including Agribusiness Development Teams (ADT), previously deployed Military Veterinarians and Corps of Engineers personnel, would also provide US Military units a deeper contextual knowledge of not only capabilities inherent already in the US Military but also for the diverse types of projects being undertaken by the military in places like Afghanistan. Weaving these themes and stakeholders into CTCs and training events will broaden the US Military's understanding of USG operations and better prepare them to implement CERP Projects.

Create Training Support Packages (TSP). The US Military should partner with USG agencies, US universities and the private sector to development a series of TSPs that can be utilized by units preparing to deploy.[40] Subject matter can be diverse and cover development topics in a particular region or country of the world. Most useful would be TSPs that would create tools and illustrate how to conduct assessments of the value chains in the agriculture, manufacturing, processing and production, and construction sectors of the economy. Included in the TSP should be definitions and examples for what a value chain is, questions US Military personnel can ask to determine the value chain and techniques on how to collate information into meaningful outcome based uses. Assessment frameworks that could be used include USAID's DSF, when trying to determine SOIs, or the United Nations Food and Agriculture Organization's (FAO) Rapid Rural Appraisal when outcomes are primarily development based.[41] TSPs should also

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[38] Sloan Mann and James Derleth, "Unschooled: How to Better Train our Nation Builders," *World Affairs*, March/April 2011.

[39] "Civilian Response Corps: Who we are," http://www.civilianresponsecorps.gov/who/index.htm, accessed 12 May 2011.

[40] The "AfPak Hands" Initiative, started in 2010, is one small-scale example of pre-deployment training that provides US military service members intensive cultural and language training.

[41] "Chapter 8: Rapid Rural Appraisal," FAO. http://www.fao.org/docrep/W3241E/w3241e09.htm, accessed 12 May 2011.

cover the fundamentals of project management, monitoring and evaluation techniques, outcomes versus inputs and outputs, the differences between stability and development outcomes and specific types of CERP projects that support each, and economics and business principles as they relate to military operations. The US Military can build upon many of the Center for Army Lessons Learned Handbooks that have been developed over the past few years and incorporate material from other training programs such as USDA's Agriculture Training Program for Afghanistan or the US Army's Veterinarian Stability Operations course when developing new TSPs.

2. Reform Authorities, Doctrine & Structure

In order to successfully revise training and education programs, the US military must also change doctrine accordingly while obtaining permanent authorities that clarify and support the continued use of CERP in military operations. Certain structural changes would also enable the US Military to better to carry out *Expeditionary Economics*.

Revise CERP Authority & Guidelines. Rigid guidelines in current CERP authorities set restrictions that are often contrary to the goal of stimulating economic development. The Department of Defense Financial Management Regulation Summary of Changes to CERP dated January 2009 paragraph 270301 explicitly states that "Appropriated funds made available for the CERP shall not be used for the following purposes… (K) Support to individuals or private businesses (except for condolence, former detainee, hero or battle damage payments as well as micro-grants."[42] The loop-hole cited in subparagraph (K) allowing micro-grants to private businesses and individuals is extensively used by the US Military in Afghanistan, making the prohibition cited in paragraph 270301 seem to be an unnecessary formal barrier. That barrier causes potential confusion and the reality is that all payments under CERP are essentially micro grants. The same prohibition of funding individuals and small businesses is outlined in the most recent US Forces Afghanistan Publication 1-06, *Money As A Weapons System Afghanistan* (MAAWS-A) published in February 2011. The MAAWS-A provides a screenshot from the process of submitting an Afghan Development Report (ADR) for a CERP Project. One must formally affirm that the CERP Project does not support individuals or private businesses. This seems an unnecessary hurdle as well as a contradiction, considering MAAWS-A has an entire chapter dedicated to Micro-Grant issuances to businesses.

This unclear and contradictory guidance could easily be altered to provide clarity and increased flexibility in the field. CERP authorities need to be changed in order to allow the US Military a broad range of options to stimulate private business; small firm level

[42] Summary of Major Changes to OD 7000.14-R, Volume 12, Chapter 27 "Commanders Emergency Response Program" DoD Financial Management Regulation, January 2009. http://comptroller.defense.gov/fmr/12/12_27.pdf, accessed 12 May 2011.

support is a crucial step to generate economic opportunities and conduct *Expeditionary Economics*.

More importantly, CERP authorities need to be unambiguous and less restrictive in what the military can and cannot do. Currently MAAWS-A guidelines prohibit the use of CERP funds to give "loans or capitalization of lending institutes."[43] Although the US Military itself is not equipped or designed to conduct micro lending and microcredit programs, these programs may be useful in providing the poor or businesses access to financial services such as access to loans, savings, and insurance [44] Shortages of capital and a lack of access to loan and savings programs may undermine confidence in the government and lead to increased instability. A lack of financial institutions also provides an opportunity for insurgent groups or participation in illicit activities to act as alternate sources of funding. The US Military should allow for increased flexibility in CERP funds to support programs that will help achieve the dual goals of stabilization and development. The US Military does not have the capacity or long-term time horizons to conduct programs itself, but should be allowed to support private entities, including local microfinance institutions. In Iraq, for instance USAID already manages a micro-loan program in addition to three international microfinance institutions and six indigenous microfinance institutions that are supported by the US government.[45] If these are in fact effective in providing entrepreneurs with capital, CERP funding should be allowed to support and expand such institutions.

Revise Stability Operations and Counterinsurgency (COIN) Field Manuals (FM). The concepts of *Expeditionary Economics* should be infused into current US Military doctrine, including more discussion and explanations of the drivers of economic growth, economic development principles, how to foster business creation, how to do sectors assessments, and how to carry out effective project management. The inclusion of these key concepts would provide the regulatory reasoning to dramatically alter US Military education and training. Understanding these concepts would also help military units better prepare for operations in places like Afghanistan as well as other potential operating environments into the future.

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[43] US Forces Afghanistan Publication 1-06, *Money As A Weapons System Afghanistan* (MAAWS-A), Feb 201l.

[44] In recent decades, the popularity of the microfinance industry has exploded as a new tool against poverty. However, academic studies contradict each other; Pitt and Khandker (1998) published one of the most popular works finding that microcredit does raise household consumption. Others have disagreed including Banerjee et al. (2009), Karlan and Zinman (2009) and Roodman and Morduch (2009). We do not aim to resolve this debate. We simply point out that microcredit CAN be a good option, especially when insurgents are the only other providers of capital.

[45] Center for US Army Lessons Learned Handbook 09-27, *Commander's Guide to Money as a Weapons System*, April 2009.

Instructions and tools on how to conduct both rapid and comprehensive economic sector assessments should be included in both Stability Operations and COIN FMs. No US Military funded project should be initiated in the field without determining what the current economic sector looks like. An assessment framework would provide the US Military a guideline to use in determining what is present, and through analysis, what the needs of that sector are. Creation of projects would then be based on those assessments. The US Military should continue to utilize the expertise of USG agency civilians in places like Afghanistan, but a doctrinal framework would prepare the military to select stability or development projects only after a sector assessment was conducted.

A Project management framework should also be incorporated into US Military doctrine, which should include specific monitoring, evaluation and reporting requirements designed for Stability Operations and in-conflict development. Guidelines on the differences, interconnectedness, and potential usages of stability and in-conflict development projects should also be included and CERP usage should be recognized as a critical tool in US Military Stability Operations.

Institutionalize Agribusiness Development Teams (ADT). The US Military should formalize the ADT structure in the US Army National Guard and institute similar unit structures in reserve and active US Army Civil Affairs units. Agricultural training courses could be created at the Civil Affairs School so that agriculture can be identified as a Military Occupational Specialty or as an Additional Skill Identifier. Formalizing the ADT structure and expanding into Civil Affairs would significantly build US Military capability to operate within unstable environments, such as Afghanistan, where agriculture is the main driver of the economic sector.

3. Understand the Dominant Sectors in the Economy

Understanding the key economic sectors and their components is a critical requirement for the US Military in today's complex operating environment. The US Military should focus more on learning about and developing the tools necessary to identify information in the agriculture, manufacturing, processing and production, and construction sectors of the economy. Thoroughly understanding these key sectors is also important for effectively utilizing CERP authority. For instance, understanding that the agriculture sector in Afghanistan constitutes 33% of the value added GDP and employs approximately 80% of the Afghan workforce is critical to using CERP effectively. Surprisingly, as noted in Figure 5, CERP expenditures in agriculture from 2004-2009 constituted only 5% of the total executed during that period. Understanding the importance of each sector, their value chains and systems, and their components, will lead to a more holistic understanding of a region's needs. This information can then be

used to stimulate the economic sectors most appropriate for identified stability or development outcomes and in turn improve the effectiveness of CERP funding.

The US Military should also fully engage in USG programs that are designed to build knowledge in particular economic sectors. One such emerging program is USDAs Agricultural Training Program for Afghanistan. USDA and a consortium of US universities, have designed a 6-day agricultural training program that focuses instruction within an Afghan context. The program is designed to prepare USG personnel, including the US Military, to conduct agricultural and capacity building activities in Afghanistan. The program covers a diverse set of topics, including identifying the myriad USG agricultural stakeholders, policies and strategies, funding mechanisms including CERP, agriculture assessments, agriculture extension skills, the agricultural calendar as well as Afghan horticulture, crops and livestock. Specific social and cultural topics particular to Afghanistan are also covered in the training, including land tenure and water rights issues, Kuchi migration and rangeland management, and utilizing local contractors to implement CERP projects. The US Military should fully participate in this type of program, which builds the capacity of trainees to understand a particular economic sector and to implement projects using CERP funding. The US Military should also consider utilizing US universities to conduct training programs that would build understanding and knowledge of other economic sectors. US universities maintain a significant amount of expertise and the US military should tap into this national resource to build its own capacity.

Conduct In-depth Sector Assessments. Key to understanding the dominant sectors of an economy is being able to conduct in-depth assessments. As discussed previously in this paper, the US Military should create assessment tools that will enable military units to determine what the key components are in a particular sector. Through analysis, the US Military can then more effectively determine projects that enable desired outcomes. One example is the US Army Corps of Engineers *Southeast Afghanistan Water Resources Assessment.* Prepared for TF Yukon, 4th Brigade Combat Team 25th Infantry Division in October 2009, the in-depth water assessment was used by TF Yukon to directly identify projects which were then funded through CERP. The water assessment was also used to identify projects by the unit that replaced TF Yukon in early 2010, illustrating the importance of conducting and maintaining in depth assessments and linking them to projects. The US Military should broaden its ability to conduct sector assessment which in turn can be used to execute CERP funding more efficiently.

Create an Accessible Knowledge Bank of Key Economic Sector Information. The US Military should create and maintain an accessible informational knowledge bank that notes key economic sector information such as markets, trade corridors, value chains, economic systems, businesses, agricultural crops, manufacturing and production centers, and supporting infrastructure. Information should be collated to the lowest

regional level as possible, such as by province and district in Afghanistan. Key economic sector information should be based on assessments done by US Military units, USG agencies and other partners or organizations. A critical component to creating an accessible knowledge bank is interagency information sharing. The US Military and USG agencies must work together at creating a robust picture of the economic sector, which over time should become a comprehensive source used for pre-deployment training, US Military education courses and in determining CERP projects while deployed.

4. Monitor Outcomes

If the US Military is to continue to be substantially engaged in efforts beyond stability, monitoring and evaluation efforts are crucial. Currently there are very few evaluations and little evidence regarding the connections between stability and development, between job creation and insurgency, between poverty and instability or winning hearts and minds.[46] They are connections that are certainly worth exploring, and economic development should remain a key aspect of counterinsurgency strategy in Afghanistan. But they are also connections that need to be closely monitored and evaluated if development is to become the third tier in military and counterinsurgency strategy across the board.

There should be three types of results measurement for the following: (1) Short run inputs such as the purchase of good and services and better tracking of where CERP money is actually spent. Due to the decentralized design of CERP spending, there are often gaps in records. When the Office of the Special Inspector General for Iraq Reconstruction evaluated 173 CERP projects in Iraq in 2006, it found only 122 project files. Pentagon auditors were not able to account for $135 million in allocated funds.[47] It is impossible to track success of the program if the spending itself is not accounted for. (2) Intermediate outcomes such as increased local government funds for social programs, successful construction of infrastructure projects, and local ownership. One US commander, finding a recently-constructed water treatment plant with no electricity, decided to spend CERP money on a generator. New commanders came in and this process was repeated – *three times*. As Ginger Cruz, deputy inspector general for Iraq reconstruction, says succinctly , "So at the end of the day, they've paid for the same generator three different times… Nobody's been there long enough to follow through."[48] CERP funding will be nothing more than wasted money if projects are not monitored with appropriate management and oversight. (3) Long-term results such as

[46] One example of a promising evaluation is the Randomized Impact Evaluation of the National Solidarity Programme, a multi-year project to study the impact of NSP in villages compared to a control group. http://www.nsp-ie.org/index.html.

[47] Hedgepeth, Dana and Sarah Cohen "Money as a Weapon" *The Washington Post*, 11 August 2008.

[48] Ibid.

real unemployment, school enrollment and literacy rates, or growth of agricultural exports. The third set of outcomes may be beyond the time horizon and capabilities of the US Military; this is where collaboration with other USG agencies and NGOs is vital as they can continue to track results long after the military has concluded official engagement. Without careful evaluation on all levels, there is a real risk of continuing to spend money on development projects with unknown outcomes. Careful evaluation is crucial to shaping stability strategies and for defining in-conflict development programs and reconstruction efforts in the future.

It has now been over nine years since the US Military entered Afghanistan. It is time for an assessment of stability and development operations that have been undertaken thus far. One possibility is to carry out a large-scale survey of returned troops, including those who have been directly responsible for implementing CERP on the ground. Such a survey would reveal valuable information that can be used to design better stability and development operations going forward, in Afghanistan or in other places where the US Military might need to carry out such tasks (including in post-trauma areas such as those struck by earthquakes or other natural disasters).

5. Do No Harm

There are unfortunately no easy answers in creating stability or economic development. There is no standardized approach that will work across regions; it is impossible to have one single plan for a country, or even a province. Practitioners must understand local conditions and capacities at the most micro level. And they must pay attention to the changing conditions and shifting environments and perceptions. A localized needs assessment is crucial before beginning to implement any activities and must be maintained and revised as projects are implemented.

Greater attention must be paid to unintended consequences. The military must understand that large flows of aid will affect social stability, power relationships, social and cultural norms. Nothing is done in a vacuum. Immediate relief efforts may undermine long-term development goals. It is crucial to recognize the trade-offs and dynamics between goals of humanitarian assistance, stabilization, and economic development. Consistent assessments of local conditions should be done to remain aware of changing conditions and minimize the possibility of being blindsided by unintended consequences.

Conclusion & Next Steps

This paper looks at the US Military's role in providing reconstruction, stability, and development assistance in regions where traditional providers of such assistance are limited by their capacity to travel and/or deliver services. We argue that the U.S.

Military should augment its current educational and training programs so that officers on the ground can cope with the complexities, challenges and issues involved with providing such assistance. Specifically, we propose five recommendations—improve education and training, reform authorities and doctrine, understand the dominant sectors of the economy, monitor outcomes, and above all, do no harm.

The goal of this work is not to question the existence of CERP. Rather, we assume that the US Military plays, and will continue to play, a significant role in development activities in *in-conflict* situations, as part of broader strategy of counterinsurgency. We look at how development funds, such as those provided by CERP, can be used most *effectively.* Going forward, there is also a need for further research into the links between CERP-style development spending and stabilization outcomes. There is also scope for further study into the boundaries between civilian and military players, and between stabilization, humanitarian, and development goals. We need to understand better, what types of situations lend themselves to military-led projects and which to civilian efforts.

Much can also be learned from analyzing the US Military's use of CERP during in-conflict situations, such as in Afghanistan. A broad survey of US Military members involved in executing CERP should be undertaken to determine the following: (1) the Commander's intent for its use and how projects were prioritized; (2) what assessment mechanisms were used to determine projects; (3) how monitoring and evaluation (M&E) is taking place; and (4) what outcomes were identified for each project and how M&E is linked to ensure desired effects are met. The surveys would assist in the building of informative case studies that could be used to assist in the implementation of our five recommendations while also adding to the current literature and data available on this topic.