

Aid Effectiveness

Summary

Since 2002, USAID/Afghanistan has made considerable progress on improving aid effectiveness and supporting Afghanization - a major priority of the Afghanistan National Development Strategy (ANDS). Jointly with the Afghan government, we are working to improve the value of U.S. assistance by: increasing Afghan ownership, leadership, and visibility; buying more goods and services locally; directing more U.S. assistance through the Afghan government and local Afghan firms; and embedding capacity development into all activities.

Indicator	2002	2008
Support for host country priorities	\$760 million	\$1.6 billion aligned to ANDS
Buying more goods and services locally	~25% of disbursements channeled through the GIRoA/Afghan firms	~50% of disbursements channeled through the GIRoA/Afghan firms

Key Accomplishments

- To increase Afghan ownership, leadership and visibility, our bilateral Strategic Objective Agreements (SOAGs) are modified to specifically align USAID investments to the ANDS. \$1.6 billion in U.S. assistance was aligned to the ANDS in 2008. Joint decision-making is emphasized at the line-ministry level in all sectors, and Afghan officials frequently participate in the USAID procurement processes.
- To buy more expertise, goods and services locally, USAID is now doing more work through local organizations. In 2008, USAID employed over 20,000 Afghans and procured more than \$250 million in local goods and services. Major subcontracts for the 100 MW Power Plant for Kabul were awarded to local firms. In addition, two local firms are delivering \$28 million worth of diesel fuel for power generation. Under the Strategic Provincial Roads (SPR) program, all construction contractors for 1,500 km of roads throughout the country are Afghan firms.
- USAID is working to connect program graduates with USAID contractors and grantees. The Kunar Construction Center has graduated three classes to date, with a total of 400 students. Each graduation is followed by a job fair and almost all graduates have been hired right out of the training program. In 2008, USAID hired more than 500 graduates/interns from USG-funded programs.
- To deliver more funding directly to ministries, USAID is providing funding directly to the Afghan Ministry of Public Health - up to \$236 million over five years.
- To maximize the use of the Afghan Reconstruction Trust Fund (ARTF), USAID contributed a total of \$110 million to the ARTF in the Afghan Solar Year (SY) 1387 (March 21, 2008 – March 20, 2009). This is more than double our contribution of in SY1386 and makes the United States the top contributor to the ARTF in SY1387.
- Capacity building mitigates risk and increases sustainability. USAID is currently building capacity in all three branches of government, at both the national and sub-national levels. Substantial capacity is also being built in individuals, businesses and NGOs. Last year, approximately \$62 million was provided in a targeted capacity development program to 15 ministries and national institutions.

- To maximize the impact and quality of activities, USAID is leveraging over \$38 million in private resources, primarily through public-private partnerships with Afghan businesses, on a USG investment of \$15 million.

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