Carl Schramm, president and chief executive officer of the Ewing Marion Kauffman Foundation, published a paper in *Foreign Affairs* in 2010 entitled “Expeditionary Economics,” arguing that the economies of Iraq and Afghanistan have shown few signs of progress. Schramm makes the case for the military to engage broadly in midconflict and postconflict reconstruction using a variety of tools. Economic reconstruction must be a part of a three-legged strategy, following invasion and stabilization. To do reconstruction, the 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 while trying to stabilize the regions in which it is engaged.

The challenges of implementing expeditionary economics are daunting. The overarching question is whether it makes sense for the military to engage beyond the limited aims of stabilization. In this article, we take a practical view, arguing that the military is already substantially engaged in both stability and development activities in Afghanistan and other conflict and postconflict zones, and that we need to figure out ways in which it can do its work more efficiently and effectively. We emphasize that our recommendations do not advocate that the military take over all development activities for the U.S. Government. They are, however, designed to address the military’s capacity to carry out what it is already doing in Afghanistan and in other in-conflict zones.

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situations, where the military is playing a significant role because of the security concerns or lack of ability of other government entities to carry out development assistance.

Emergence of Stability Operations in the Military

The recent doctrinal emergence of stability operations in the military is based primarily on the changing international dynamics that followed the end of the Cold War. Types of U.S. operations radically shifted in the 1990s after the dissolution of the Soviet Union and conclusion of major combat operations in the Gulf War. The military became more engaged in so-called operations other than war, which included peacekeeping, humanitarian assistance, security assistance, counterdrug, and nation assistance missions. Deployments became frequent and diverse and spanned the globe. Moreover, the United States was involved in a stability engagement every 18 to 24 months following the Cold War. Nevertheless, the operations outlined in “other than war” were doctrinally not identified as core missions for the 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 Ds” of national security raised awareness of the potential that foreign development assistance could have in stabilizing regions and in mitigating terrorism and potential insurgencies. Meanwhile, military operations had begun in Afghanistan and would soon begin in Iraq, thrusting the military into operations that would become counterinsurgency engagements. The military incorporated seized Iraqi funds to create a program that was designed to pay for projects that would help stabilize military units’ operating areas. This program evolved into the Commander’s Emergency Response Program (CERP), which was formally initiated in late 2003 using U.S.-appropriated funds for both Iraq and Afghanistan. Designed to enhance interagency cooperation, improve stability, and build capacity by working closely with local officials, Provincial Reconstruction Teams (PRTs) were established in Afghanistan and later in Iraq.

A 2004 Defense Science Board report recommended that stability operations be recognized as a core mission for the military. This recommendation was codified in Department of Defense (DOD) Directive 3000.05, Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations (2005). The new directive stipulated immediate and long-term goals for 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 emerged since 2005, but they have only refined and built upon the policy set forth in Directive 3000.05. In short—in a span of just over 15 years—the military significantly altered its operational framework, which increased its responsibilities and requirements in an effort to improve stability, foster economic growth, and
CERP in Afghanistan

Objectives and Funding

In U.S. operations in both Iraq and Afghanistan, foreign assistance plays a key role in stability and reconstruction efforts. Since fiscal year 2002, nearly $62 billion has been appropriated for relief and reconstruction in Afghanistan. Since 2003, over $61 billion has been appropriated for Iraq. 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 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.

From the data described in the figures to follow, it is clear that the military is increasingly taking an active role in not only security, but also reconstruction, stability, and development activities. In Afghanistan, over 60 percent of U.S. funds supporting reconstruction are allocated via DOD. Other government agencies are involved, but their participation pales in comparison: 18 percent of the appropriations have gone to the U.S. Agency for International Development (USAID), 4.6 percent to the Department of State, and 16.7 percent to other agencies including the Departments of Justice, Agriculture, and Treasury. Due to security concerns and the kinetic nature of certain regions in which other agencies cannot operate well or will not operate, the military is engaged in both stability and development efforts. For instance, PRTs in Afghanistan are key implementers of U.S. assistance programs and are designed to be comprised of both government civilian and military personnel. The reality is that PRTs are directed and 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 3 to 5 civilians out of 50 to 100 personnel in most PRTs. A report by the Special Inspector General for Afghanistan Reconstruction in January 2009 showed that there were 1,021 military personnel and only 35 civilians in all U.S. PRTs in Afghanistan.

Over the past 2 years, however, there has been a significant increase in the civilian presence in Afghanistan due to calls for a civilian surge. According to the Department of State, the number of civilians increased from 261 to 1,300 between January 2009 and June 2011, and the total is projected to rise to 1,450 civilians operating in the region by mid-2014. Many of these civilians were incorporated into military tactical units at the brigade level and into newly created District Support Teams, which resembled PRTs in structure but were operationally focused on projects at the district level. The military also began deploying agribusiness development teams (ADTs) in 2008 to augment PRTs and agricultural expertise and to assist in the revitalization of Afghanistan’s agribusiness sector.

Regardless of their numbers, USAID and State personnel assigned to PRTs and District Support Teams have access to several different funding mechanisms to promote stability and development in their regions. These mechanisms, however, are not always available or timely for use, and civilians, in turn, rely on CERP funding to carry out projects.
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. The allocation is now about 5 percent of Afghanistan’s gross domestic product.

To date, Congress has appropriated $2.64 billion for CERP in Afghanistan and $3.98 billion in Iraq. In Afghanistan, the money allocated for CERP alone is almost equal to the entire amount appropriated to the State Department during that same period ($2.86 billion). CERP is becoming an integral piece of reconstruction funding and efforts and is a clear example of how engaged the military is in reconstruction and development-like projects in conflict environments. The Task Force (TF) for Business and Stability Operations is another fund to support economic development, including the private sector, financial systems, agricultural diversification, energy development, and local procurement, among others. Figure 1 shows foreign assistance disbursements in Afghanistan by agencies for the period 2004–2009, while figure 2 shows total military disbursements including that of the Afghanistan Security Forces Fund (ASFF). CERP alone represents a significant source of assistance funding (figure 1); when the ASFF is included in total DOD spending (figure 2), it is clear that DOD receives the majority of foreign assistance funding for Afghanistan.

This funding is channeled into tasks traditionally reserved for USAID and other development agencies. A breakdown of CERP spending projects by sector in Afghanistan (figure 3) could easily be mistaken for a breakdown of USAID projects, as all sectors listed are traditionally considered to be in the development space. Over time, CERP funding has increasingly gone to transportation projects; investments in roads have also increased the average cost of CERP projects. The fiscal year 2011 National Defense Authorization Act created the Afghanistan Infrastructure Fund, transferring $400 million to specifically fund large-scale projects such as power generation.

A map of CERP spending in 2010 illustrates that the areas to receive the largest amount of money are also the least secure and most violent areas with the largest number of troops (figure 4). The prioritization of unstable areas is a point of contention for many Afghans, who believe 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 military importance.

In sum, the military is already substantially engaged in the development realm beyond stability efforts, and it is likely that it will continue conducting development-like projects in Afghanistan and perhaps around the globe for years to come. Our goal, then, is not to discuss whether the 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 is also the party engaged in conflict. David Kilcullen has termed this phenomenon “opposed development,” and argues that it presents a different set of challenges than traditional postconflict activities where the kinetic phase is completed and/or has been carried out by another party (for example, Bosnia). Kilcullen argues that there are multiple scenarios in which development activities take place. The classic environment in which USAID was designed to operate is peacetime or postconflict, meaning there is no enemy and development professionals face the usual problems such as corruption and lack of sustainability. A second scenario is an environment with an active terrorist organization present, where there are the usual problems as well as the presence of an enemy, which dramatically raises the risk of operations. The third scenario (which most closely reflects the 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. Professionals are confronted not only with carrying out development activities in a high-risk environment, but also with competition for the delivery of public services. The target population has a choice between our efforts and services and those of the enemy. How does the military, then, prepare 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 since development programs often cannot be conducted and proven successful in a limited timeframe. In current military doctrine, there appears to be...
a conflation among humanitarian assistance, economic development, and stability. Humanitarian aid is a rapid response that saves lives by providing food, water, and basic services. Development programs, on the other hand, are often focused on building local capacities, institutions, and sustainable projects. 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 can 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 and long-term capacity-building is delicate, and both types of responses are needed in places such as Afghanistan.

The goals of development and stability may also contradict each other. Efforts to rapidly modernize can be a strong force for destabilization. Rapid growth is not simply capital accumulation; it involves vast changes in the structure of the economy, distribution of income, and the way people live and work. These fluctuations 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 succeed. 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 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 Communist movements at Kabul University that fueled political
instability. 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 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. One study estimated that as much as 10 percent of the money for DOD logistics contracts ended up in the hands of insurgents. This problem does not go unnoticed; perceptions of corruption are the main criticism of international aid efforts among Afghans and have the potential to erode confidence and trust in government and international forces. 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.”

Strategies for the implementation of development and stability projects designed to win hearts and minds may also be in conflict. Both Kilcullen and the authors of U.S. military counterinsurgency doctrine make the argument that the fundamental requirement for a successful counterinsurgency is control. But CERP is designed for a much broader set of objectives: to legitimize actions of the military and to create goodwill within the local population while also addressing instability and providing some development assistance. 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 reduces insurgency. Current strategies are built on the assumptions that poverty is a key driver of insecurity; economic development will stabilize a region; and aid will help legitimize the government. These assumptions need to be recognized as such. It is difficult for aid programs to address
all of the various factors of insecurity. 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 military and existing agencies that deliver foreign assistance. In its district stability framework, the USAID Office of Military Affairs lays out a blueprint for how stability and development activities can be delineated between USAID and the military. It argues that “[d]evelopment assistance is [not] stability assistance” and “[d]evelopment assistance is [not] a military task.”

Although one can divide the concepts of stability and development in theory, it becomes much more complicated in practice. The reality is that it is difficult for the military to remain within the lines of stability, focusing projects only on sources of instability. The construction of a road can be a development project to build infrastructure, connecting local suppliers to markets and lowering transaction and transportation costs in the region. Yet it also assists military operations, helping transport supplies and equipment and increasing visibility of buried improvised explosive devices.

A look at figure 3 shows that a fairly large share of CERP funds are being spent on things that are

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**Figure 4. CERP Disbursements by Sector in Afghanistan, 2004–2009**

![CERP Disbursements by Sector in Afghanistan, 2004–2009](image-url)
related to both stability and development or else are hard to define. Does $985 million spent on transportation and 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? It is difficult to distinguish stability and development objectives in all but a few cases. One can think of the activities of the military and USAID along a continuum as in figure 5.

There is no clear line that can be drawn down the middle dividing stabilization from development activities. The reality is that both the 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 without teachers or clinics without nurses. Perhaps these criticisms also identify space for collaboration, where the comparative advantage of CERP and USAID can be used to provide development assistance in conflict situations.

**Five Practical Solutions**

How can CERP achieve its objectives and work better with its partners including USAID? We present five practical solutions inspired by the concepts of expeditionary economics and based on the challenges identified above.

1. **Improve Education and Training.** The military should augment its current educational and training programs so 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.* Currently, these types of courses are not mandatory for the majority of military officers, and many may graduate from universities without any significant knowledge of these topics. Requiring such courses would alleviate this shortcoming while providing a base of knowledge that could be expanded through graduate studies, military education courses, and training. Basic-level micro- and macroeconomic courses and courses that teach business principles and analysis, marketing, finance, and trade would provide a robust base of knowledge at the beginning of an officer’s career that could be applied within almost any operational assignment.
**Revise military education courses.** These 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 have not shifted adequately to reflect it. 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 officers to basic anthropological, 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 implement CERP authority. 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 and experiences.** Military officers’ careers are dominated by assignments within their own Services 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 U.S. agencies, international entities, and divergent concepts they will face in the current and future operating environment. There are programs that place officers into nonmilitary 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 officers detailed to USAID, Agriculture, and State and its Office of the Coordinator for Reconstruction and Stabilization, as well as others, should be significantly increased. Also important is broadening the opportunities for officers to be exposed to a greater number of U.S. businesses, entrepreneurial organizations, and government think tanks such as the United States Institute of Peace, U.S. Army Peacekeeping and Stability Operations Institute, RAND Corporation, and Center for Complex Operations. Experiences and interactions with cross-discipline policy organizations, entrepreneurs, and business ventures would provide officers a breadth of knowledge that could be used in today’s operating environment. Nongovernmental 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 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 decisionmaking process at CTCs would help prepare military units to carry out CERP authority more efficiently while
deployed. Many of the recommendations made by Rebecca Patterson and Jonathan Robinson in “The Commander as Investor” should also be infused into the training scenarios at CTC. 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 that military personnel should be well versed on prior to deployments.

Incorporating actual U.S. agency civilians into training exercises would also help replicate the operating environment the military will encounter while deployed. Simulating a board of directors approach to implementing CERP at CTCs would give military units a unique understanding of the many government stakeholders and viewpoints involved in an operating environment such as Afghanistan. Another potential solution for agency participation is to use the U.S. Civilian Response Corps (CRC) for training events. The CRC was designed as an expeditionary entity that could be rapidly deployed to conflict zones to provide stabilization assistance.

Linking the CRC to military units preparing to deploy, in turn, seems like a logical connection. Including ADTs, previously deployed military veterinarians, and Corps of Engineers personnel would also provide military units a deeper contextual knowledge not only of capabilities already inherent in the military but also of the diverse types of projects being undertaken by the military in places such as Afghanistan. Weaving these themes and stakeholders into CTCs and training events would broaden the military’s understanding of operations and better prepare them to implement CERP projects.

Create training support packages. The military should partner with agencies, universities, and the private sector to develop a series of training support packages (TSPs) that can be used by units preparing to deploy. Subject matter could be diverse and cover development topics in particular regions or countries. Most useful would be TSPs that 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 and questions that military personnel could 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 the USAID District Stability Framework when trying to determine sources of instability, or the United Nations Food and Agriculture Organization’s Rapid Rural Appraisal when outcomes are primarily development based. TSPs should also 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 military could build on 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 the Agriculture Training Program for Afghanistan and the U.S. Army’s Veterinarian Stability Operations course when developing new TSPs.

2. Reform Authorities, Doctrine, and Structure. To successfully revise training and education programs, the military must also change doctrine accordingly while obtaining permanent authorities that clarify and support the continued use of CERP in military operations.

Revise CERP authority and guidelines. Rigid guidelines set restrictions that are often contrary
rigid guidelines set restrictions that are often contrary to the goal of stimulating economic development

Paragraph 270301 of DOD Financial Management Regulation Summary of Changes to CERP (January 2009) explicitly states that “[a]ppropriated 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).” The loophole cited in subparagraph (K) allowing microgrants to private businesses and individuals is extensively used by the military in Afghanistan, making the prohibition cited in paragraph 270301 seem an unnecessary formal barrier. That barrier causes potential confusion, and the reality is that all payments under CERP are essentially microgrants. The same prohibition of funding individuals and small businesses is outlined in the most recent U.S. 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 for a CERP project. One must formally affirm that the project does not support individuals or private businesses. This seems an unnecessary hurdle as well as a contradiction, considering that MAAWS–A has an entire chapter on microgrant 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 to allow the military a broad range of options to stimulate private business; small firm–level support is a crucial step to generating economic opportunities and conducting 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.” Although the military itself is not equipped or designed to conduct microlending and microcredit programs, these programs may be useful in providing the poor or businesses access to financial services such as loans, savings, and insurance. 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 military should be provided increased flexibility in CERP funds to support programs that will help achieve the dual goals of stabilization and development. The military does not have the capacity or long-term time horizons to conduct programs itself, but it should be allowed to support private entities, including local microfinance institutions. In Iraq, for instance, USAID already manages a microloan program in addition to three international microfinance institutions and six indigenous microfinance institutions that are supported by the U.S. Government. If these are effective in providing entrepreneurs with capital, CERP funding should be allowed to support and expand such institutions.

Revise stability operations and counterinsurgency field manuals. The concepts of expeditionary economics should be infused into current 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 issue of sustainability also needs to be addressed, providing guidance on how to create local buy-in and ensure that proper training and equipment are provided to locals so projects can be sustained in the long term. The inclusion of these key concepts would provide the regulatory reasoning to dramatically alter military education and training. Understanding these concepts would also help units better prepare for operations in places such as Afghanistan, as well as other potential operating environments in the future.

Instructions and tools for conducting both rapid and comprehensive economic sector assessments should be included in both stability operations and counterinsurgency field manuals. No military-funded project should be initiated in the field without a broader understanding of the sector. Knowledge of local or national programs is also important. An assessment framework would provide the military a guideline to determine what is present and, through analysis, what the needs of that sector are. Creation of projects would then be based on those assessments. The military should continue to use the expertise of agency civilians in places such as 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 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 stability operations.

Institutionalize agribusiness development teams. The military should formalize the ADT structure in the Army National Guard and institute similar unit structures in Reserve and Active U.S. Army civil affairs units. Agricultural training courses could be created at the Civil Affairs School so agriculture can be identified as a military occupational specialty or an additional skill identifier. Formalizing the ADT structure and expanding into civil affairs would significantly build military capability to operate within unstable environments 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 critical for the military in a complex operating environment. The military should focus more on learning about and developing the tools to identify information in the agriculture, manufacturing, processing and production, and construction sectors. Thoroughly understanding these sectors is also important for effectively utilizing CERP authority. For instance, understanding that the agriculture sector in Afghanistan constitutes 33 percent of the value-added gross domestic product and employs approximately 80 percent of the workforce is crucial to using CERP effectively. Surprisingly, as shown in figure 3, CERP expenditures in agriculture from 2004–2009 constituted only 5 percent of the total executed during that period. Understanding the importance of each sector, its value chains and systems, and its 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 military should also fully engage in government programs designed to build
knowledge in particular economic sectors. One such emerging program is the Agricultural Training Program for Afghanistan. The Department of Agriculture and a consortium of U.S. universities have designed a 6-day program that focuses instruction within an Afghan context. The program is designed to prepare U.S. personnel, including the military, to conduct agricultural and capacity-building activities. The program covers a diverse set of topics, including identifying the myriad U.S. agricultural stakeholders, policies and strategies, funding mechanisms including CERP, agriculture assessments, agriculture extension skills, and 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 the use of local contractors to implement CERP projects. The military should fully participate in this type of program, which builds the capacity of trainees to understand particular economic sectors and to implement projects using CERP funding. The military should also consider using American universities to conduct training programs that would build understanding and knowledge of other economic sectors. Universities maintain a significant amount of expertise, and the military should tap into this resource to build its own capacity.

Conduct in-depth sector assessments. Key to understanding the dominant sectors of an economy is the ability to conduct in-depth assessments. As discussed previously, the military should create assessment tools that enable units to determine what the key components are in particular sectors. Through analysis, the military can then more effectively determine projects that enable desired outcomes. One example is the U.S. Army Corps of Engineers’ Southeast Afghanistan Water Resources Assessment. Prepared in October 2009 for TF Yukon, 4th Brigade Combat Team, 25th Infantry Division, the assessment was used by TF Yukon to directly identify projects that were then funded through CERP. The 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 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 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, such as province and district in Afghanistan. Key economic sector information should be based on assessments done by military units, government agencies, and other partners and organizations. A vital component to creating an accessible knowledge bank is interagency information sharing. The military and agencies must work together to form a robust picture of the economic sector, which over time should become a comprehensive source used for predeployment training, military education courses, and determining CERP projects while deployed.

4. Monitor Outcomes. If the military is to remain substantially engaged in efforts beyond stability, monitoring and evaluation efforts are crucial. Currently, there are few evaluations
and little evidence regarding the connections between stability and development, job creation and insurgency, poverty and instability, or winning hearts and minds. 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. First, short-run inputs such as the purchase of goods and services and where CERP money is actually spent must be tracked. 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. It is impossible to track success of the program if the spending itself is not accounted for.

Second, intermediate outcomes such as increased local government funds for social programs, successful construction of infrastructure projects, and local ownership must be measured. One U.S. commander, finding a recently constructed water treatment plant with no electricity, decided to spend CERP money on a generator. New commanders came in and the process was repeated—three times. As Ginger Cruz, Deputy Inspector General for Iraq Reconstruction, states succinctly, “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.” CERP funding will be nothing more than wasted money if projects are not monitored with appropriate management and oversight.

Third, long-term results such as real unemployment, school enrollment and literacy rates, and growth of agricultural exports must be measured. This set of outcomes may be beyond the time horizon and capabilities of the military. That is where collaboration with other agencies and nongovernmental organizations is vital, since 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 defining in-conflict development programs and reconstruction efforts in the future.

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, and social and economic conditions.
cultural norms. Nothing is done in a vacuum. Immediate relief efforts may undermine long-term development goals. It is crucial to recognize the tradeoffs 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 and Next Steps

Going forward, there is 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 among 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 military’s use of CERP during in-conflict situations, such as in Afghanistan. A broad survey of military members involved in executing CERP should be undertaken to determine the commander’s intent for its use and how projects were prioritized; what assessment mechanisms were used to determine projects; how monitoring and evaluation (M&E) is taking place; and 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. PRISM

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Notes


5 Ibid.

6 Defense Science Board Report.


8 Ibid., 3.

9 Ibid., 41.
CERP IN AFGHANISTAN

10 Ibid.
15 Ibid.
16 Ibid., 41.
17 Formed in 2006 to support the revitalization of Iraq’s economy, it began operations in Afghanistan in 2010. Agriculture is a large focus under the leadership of Howard Warren Buffet, Jr. For more information, visit <http://tfbso.defense.gov/www/index.aspx>.
21 Ibid.
25 Wilder and Gordon.
26 Wilder, 145. Wilder references the research by the Feinstein International Center at Tufts University directed by Stuart Gordon.
of CERP that allows confidence in the conclusions due to data, conflation of goals, and difficulty in measuring the intended effects, among other reasons.

31 A recent evaluation by the U.S. Senate Committee on Foreign Relations concluded that the U.S. Agency for International Development (USAID) and the Department of State also need to reevaluate stabilizations programs and challenge the underlying assumptions. “Evaluating U.S. Foreign Assistance to Afghanistan,” June 8, 2011.

32 “Winning Hearts and Minds in Afghanistan, 4.


36 A Board of Directors structure utilized by Task Force Yukon, 4th Brigade, 25th Infantry Division can be found in James Russell’s “Innovations in War: Military Operations in Afghanistan and Iraq,” available at <www.nps.edu/Academics/centers/CCC/faculty/biolinks/russell/CentComAfPakTalkApril2010.pdf>.


38 The “AfPak Hands” Initiative, started in 2010, is one small-scale example of intensive cultural and language predeployment training for Servicemembers.


41 Money as a Weapons System Afghanistan.

42 In recent decades, the popularity of the microfinance industry has exploded as a new tool against poverty. Academic studies, however, 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.


44 One example of a promising evaluation is the Randomized Impact Evaluation of the National Solidarity Programme (NSP), a multiyear project to study the impact of NSP in villages compared to a control group, available at <www.nsp-ie.org/index.html>.


46 Ibid.