

**“NGOs and PRTs: Contracting and the Future of Development in  
Contingency Operations”  
Michael Klosson, Vice President of Humanitarian Operations and  
Public Policy and Advocacy, Save the Children  
Before The  
Commission on Wartime Contracting in Iraq and Afghanistan  
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Chairman Shays, Chairman Thibault, and Members of the Commission,

Save the Children welcomes this hearing by the Commission on Wartime Contracting in Iraq and Afghanistan to discuss the differing roles of NGOs and PRTs. It raises important issues on how US assistance can best be channeled to serve the needs of children -- who after all represent the future of their country -- as well as other vulnerable communities in Afghanistan.

#### Children Face Severe Hardship

Children are always among the most vulnerable in fragile states and Afghanistan is no exception. For nearly 30 years Afghan children have been affected by grown-ups' wars, often facing abuse and losing life, opportunity and wellbeing across the country. Children in Afghanistan confront one of the worst chances of survival on the planet. One out of every four Afghan children dies before the age of five, the highest child mortality rate in the world. Most of them die due to preventable causes.

Only 17% of adults and just 6% of women aged over 25 in Afghanistan have received any formal education. Some progress has been made. The number of children attending school has increased from 1 million in 2001 to 6 million today. However, millions of school aged children and young people are still not getting an education, including 60,000 who are working on the streets of Kabul, and over 90% of girls in some rural areas. Many children do not attend schools because it is considered unsafe for them to walk the long distances to the classroom. Another 30% are working to support their families. With two thirds of the population living on less than US \$2 a day, for many, basic education is out of reach.

Child rights violations in Afghanistan are among the worst in the world. Children face hard labor, early marriage and poverty. Abuse in schools and homes is common. Despite donor engagement and the provision of significant humanitarian and development assistance, Afghanistan remains one of the worst places in the world to be a child.

#### Save the Children's Engagement in Afghanistan

Save the Children has worked to improve the lives of Afghan children and their families for more than 30 years. We provide protection, health and nutrition and education programming in the

northern provinces of Faryab, Jawzjan, Sari Pul, Balkh and Samangan; the central province of Bamyan and Kabul; the eastern province of Nangahar, and in Kandahar and Uruzgan in the south.

In our protection work, we work closely with local communities, religious leaders, parents, teachers and the government at different levels to create and help maintain measures and structures that can prevent and respond to abuse, neglect, exploitation and violence affecting children. At the national level we focus on capacity building of the Children Protection Secretariat, a central government body that is in charge of child protection policy and work. At the local level we focus on building and strengthening Community Based Child Protection Networks that will eventually link up with the government child protection structure that is under development at the regional level. Through public campaigning, dialogue and discussion with the government, we are also advocating for a law to ban physical and humiliating punishment.

On the health front, Save the Children works with families, communities and health care workers in homes, health posts, clinics and hospitals to promote basic health, well-being and survival, particularly for children younger-than-five and for women of child-bearing age. In addition to government healthcare leaders and administrators, Save the Children supports doctors, nurses and community midwives directly with training and materials. We train and support community health-workers who work out of their own homes to reach some of the poorest and most remote areas of Afghanistan. In especially vulnerable communities, we provide safe drinking water and sanitation. In poor areas, we implement cash for work projects to increase income and food access.

Thirdly, Save the Children advocates for education at all levels of society, including ministries, donors, village councils and parents. Inside the educational system, we promote higher standards and a safer learning environment free from violence. Through work with village councils, religious leaders, parents and children we help build an acceptance and a demand for education. We provide an opportunity for street working children to attend school by offering flexible hours, an accelerated curriculum and alternative ways to earn future income. Recognizing the special challenges girls face in gaining access to education in Afghanistan, Save the Children is piloting test strategies focused on encouraging girls to stay in school and become teachers.

Our extensive experience working in Afghanistan has taught us some basic lessons about what conditions lead to more successful outcomes. The fragile stability, chronic insecurity, persistent poverty and strong strategic interests that characterize Afghanistan today have resulted in a flood of governmental, military and non-governmental actors and resources in the country. Different objectives and interests drive different development approaches and achieve varying degrees of success. Save the Children's experience, alongside that of many of our fellow international NGOs, is that our work should be guided by certain principles in order to reach our fundamental objectives of overcoming poverty and achieving immediate and lasting change in the lives of children. Those principles are:

**Afghan Driven:** Smart development uses NGO national staff knowledge and acceptance, complemented by community driven programming methods, to design and deliver development efficiently.

**Accountable:** Smart development is accountable to both donors and communities. By working in partnership with Afghan communities NGOs jointly maintain mechanisms that ensure program funds are spent transparently on projects that meet real needs and are valued by communities.

**Impartial:** Smart development is independent of stabilization efforts and is impartial, providing assistance based on need to all populations. In so doing, development dollars go into assistance that is accepted by and meaningful to Afghans.

**Sustainable:** Our success is measured not just by the needs we help meet in the short term, but in the increased ability of Afghan institutions to deliver, and in the increased resilience of Afghan communities.

While all of these principles are fundamental to our programs, my testimony will focus on 1) why accountability matters in Afghanistan, 2) how it relates to the need to minimize waste, and 3) what the United States Government may do in these two areas to enhance our shared objectives such as reducing poverty and helping children.

#### Why accountability matters in Afghanistan

Accountability in development programs is built on relationships among donors, communities, governments, the private sector and NGOs, in which all actors have incentives to fulfill their responsibilities and all are accountable for program resources and outcomes. NGOs create incentives for government agencies to participate and meet their responsibilities by providing opportunities for them to build credibility with their constituents. When the government is engaged in programming, communities are better able to hold them accountable for delivering on their commitments. Programming brings government authorities at the sub-national level closer to citizens and creates incentives for them to fulfill their responsibilities; local government participation and commitment is critical to another principle of smart development: sustainability.

Local perceptions of Save the Children, our programs and staff are critical to our ability to gain and maintain acceptance for our work with local communities. In turn, the access that comes from acceptance is essential for achieving results. With access, we are able to constantly make field visits to directly monitor project implementation and outcomes. Unless we meet project goals (and thereby meet beneficiaries' needs) our acceptance is likely to diminish, which threatens our safety and security. For example, if NGOs fail to fulfill their responsibilities, communities often refuse to allow them into their community. In turn, if communities are not fulfilling their commitments or responsibilities (for example, not providing an agreed level of community in-kind contribution, or misusing program resources) and such challenges cannot be otherwise overcome, NGOs can revise their approach. Accountability means program funds and technical assistance are directed where they can make a difference, rather than wasted due to the presence of corruption or indifference.

NGOs ensure that community leaders are held accountable for the use of resources through appropriate oversight mechanisms and transparent communication. The longer-term engagement of NGOs with communities allows time to invest in establishing these relationships and successes. When we go into a community, we first, before anything else, sit with the elders to discuss their priorities. We present what we can offer; they inform us of what they need and we reach an agreement. An example is our Community Development Program (Cash for Work). The idea here is that we pay the most disadvantaged in a community to undertake work that the community needs. We sit with the Shura and agree which projects are needed and who the beneficiaries of the cash should be. This is a public discussion in which the community absolutely knows what is happening and who is benefiting. The communication is done by national staff. We use the same mechanism for all our projects.

By working in partnership with Afghan communities, NGOs develop and maintain mechanisms to ensure that program funds are spent transparently, resulting in projects that meet real needs. NGOs have built accountable relationships with communities over the decades they have been working together to implement Afghan-led programs, but NGOs are also accountable to donors for the delivery of programming and outcomes. If NGOs do not meet their commitments they suffer financial consequences. This may be through disallowed costs and possibly jeopardizing future funding. As a result, NGOs have financial incentives to propose and deliver appropriate, feasible and sustainable programs.

Recommendation:

**Strengthen accountability:** Increased emphasis on, and resources for, monitoring and evaluation within the U.S. Government, U.S. Government implementing partners and within local partners and local NGOs would highlight the benefits of long-term capacity building and address accountability concerns.

**Minimizing waste and corruption**

Smart development means spending less, but driving communities, implementation partners and government ministries to achieve more by minimizing corruption, inefficiencies and waste. Community based approaches allow us to increase transparency. Our beneficiaries know what is expected to be delivered. If services are not delivered, the community will alert us. These community-based approaches are a type of accountability system that is less prone to corruption.

For example:

In Pakistan, as a part of our 2010 flood response program, we established a beneficiary reporting mechanism where we visibly post signs at our project sites informing people that if they don't receive specified food rations or services to call a phone number. To date we have received 1000 calls and responded to most of them.

In Aceh, we used an ombudsman program. This was essentially a hotline reporting program where people could call in any suspected or known fraud.

In Afghanistan, the anti-corruption mechanism is essentially transparency of our programs and access to our Afghan colleagues. If there is disquiet from the beneficiaries as to our programming we are made aware promptly.

Community based approaches are complemented by more conventional, formal systems. We have frequent audits, both internal and external. The internal system commences in the Country Office, which has its own auditor. The external audit system is an agency financial and management audit that requires quarterly reporting on any findings. If a Country Office doesn't respond to the findings the reporting timeline becomes a month. In Afghanistan, we regularly lose staff because they have been found to be less than honest. There is an open line of communication with the Country Director, and a commitment to action if there are any suspicions. Unlike contractors, we have a long term presence and a more established operating system and are able to manage this kind of anti-fraud mechanism.

Like many of our colleagues, we have effective, internationally demonstrated monitoring and evaluation systems that often rely on community engagement for their operation. Our program evaluations are aimed at assessing the achievement of results (both negative and positive), cost effectiveness, relevance and sustainability of results. Most of all, we measure to what extent we were able to promote local ownership. Our key stakeholders including, children, participate in evaluating our programs. Children participate in all stages of the program cycle including monitoring and evaluation. They tell their stories and we consistently document and share their views about the benefits of their programs –shared externally with the public and donors.

There are many benefits of working as a grantee. Contractors working in international development, like any for-profit firm, follow the money. They set up in a country when they win a new contract from the U.S. Government and leave the country 3-5 years later when the project ends, laying off local staff and selling assets. Their engagement is stove-piped, singularly seeking to achieve the results in their contracts. Even Cooperating Agencies – technically non-for-profit organizations – largely follow this model, moving in and out of countries as their large donor-funded projects begin and end. Contractors will charge 4-6% in profit. As grantees we do not take a fee nor make profit. Profit is prohibited for grants and cooperative agreements.

We have made a long-term commitment to work with communities, local partners and government ministries in Afghanistan to achieve breakthroughs for Afghan children and then seek out funding opportunities to make that possible. Our continuous presence over the long-term and commitment to achieving shared goals results in trust from our local partners and thereby a critical value-added in the development process. We are also well positioned to support the achievement of large-scale impact, playing a key role in district/provincial programming and reform, and national-level initiatives and technical working groups. We work hard to use and build local expertise instead of bringing in expatriate technical staff. For instance, of our 1000 staff in-country, all but 15 are

Afghan. We work with communities, local NGOs, district/regional/national government ministries – by helping them first and foremost to self-identify the problems most important to them to resolve, and then plan and implement locally appropriate solutions.

Specific indicators appropriate to measuring how effectively we are strengthening the capacity of local partners are routinely built into our monitoring and evaluation plans. This approach is based on accountability, demands transparency and allows us to effectively serve communities with more scrutiny and impact.

Recommendation:

**Procurement reform:** In order to ensure needs-based, community led programs, Congress should closely monitor the procurement mechanisms being used in Afghanistan and USAID's procurement reform.

There continues to be a need for a stronger and more effective partnership between USAID with both local and international NGOs. Ongoing procurement reforms should prioritize improving USAID's ability to partner effectively with international and local NGOs, including selection of the most appropriate procurement mechanism for the scope of work required.

NGOs bring unique advantages that ensure U.S. taxpayer dollars are effectively utilized, such as long-term in-country presence and institutional knowledge, local relationships with small nontraditional NGOs, local staff capacity, and private resource leveraging. An increased focus on open, inclusive, and transparent approaches to development that are characteristic of the work NGOs perform under grants and cooperative agreements ultimately promote greater local ownership of aid; focus development programs on results and outcomes rather than processes and compliance; increase the transparency and accountability of U.S. Government spending; and rebuild the institutional capacity of civilian agencies.

The road ahead in Afghanistan is likely to be a difficult one, but the dramatic needs of Afghan children require our continued engagement alongside Afghan partners. Supporting development that is based on a long-term commitment, genuine partnership and transparency is imperative to meet objectives of lasting poverty reduction. Smart development means an approach that is Afghan driven from the outset, sustainable in design, and accountable and impartial in its execution. Changing the reality of children in Afghanistan requires and demands this commitment.

Thank you.