



Academic Report

- English Version* -

on

"Corruption, Patronage and Clientelism as Illustrated by the Example of Afghanistan and Countermeasures in Future Crisis Management Operations"

Excerpts

(Contents / Summary / Section 1, Introduction /
Section 10, Findings and recommendations)

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Academic Report

on

"Corruption, Patronage and Clientelism as Illustrated by the Example of Afghanistan and Countermeasures in Future Crisis Management Operations"

Conrad Schetter

Susanne Schmeidl

Timor Sharan

Rodrigo Bolaños Suárez

Boubacar Haidara

with Gesa Himmelstoß and Constantino Vendra

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Summary

The present academic report examines the role played by corruption, clientelism and patronage (CCP) during the twenty-year crisis management operation in Afghanistan (2001–2021) from a German perspective. We begin our analysis by defining the central terms and locating them in a common context (section 2). We also introduce the term “resource inefficiency” in order to expand and delimit our concept of corruption. Subsequently (section 3) we briefly discuss the initial situation prior to 2001 and the role CCP played in Afghanistan. One central conclusion is that Afghanistan had been shaped by a long history of rentier economics. What is more, in the course of the war that had been going on since 1979, CCP structures had become more deeply entrenched due to political fragmentation, the mobilisation of ethno-religious identities and a dominant economy of violence. However, “grand corruption” did not take hold until the international intervention in 2001.

We investigate the significance of CCP during the crisis management operation in several stages. The first stage (section 4) involves analysing the extent to which political processes and the international community’s strategic approach to reconstruction impacted on CCP. In the case of Afghanistan, all other objectives, such as state-building, fostering security, peace consolidation, combating poverty et cetera, were subordinated to the “War on Terror”. The leading nation, the USA, consciously relied on the maintenance of, and support for, former belligerents’ patronage systems. It became apparent that the first landmark decision (deployment of the Northern Alliance against the Taliban) had set in train processes that were difficult to reverse and resulted in the international crisis management operation in Afghanistan being marked by its path dependency. In the first few years the USA then established political structures that encouraged CCP at all levels. This was evident from political processes during which the USA and the UN itself pursued policies of patronage and tolerated the manipulation of elections on a large scale. It was also discernible in the reconstruction effort. Many entry points were therefore established for the manifestation of, and increases in, CCP. Mention may, for instance, be made of the following:

- The provision of too many financial resources where there was too little capacity on the ground to absorb them, the strengthening of the rentier state and the prioritisation of quick wins at the expense of protracted state-building efforts caused increases in both “petty” and “grand” corruption.
- The light footprint and lead nation approaches hindered coordination, thus opening the floodgates for CCP.
- The emergence of an uncontrolled reconstruction industry and parallel structures were conducive to massive resource inefficiency.
- The far-reaching absence of CCP control mechanisms and the lack of a long-term strategy hindered any reconsideration of the crisis management operation’s direction.

The further political and civil reconstruction was rolled out, the more strongly CCP was manifested in various processes. The crisis management operation in Afghanistan was unable to establish new ground rules (above all good governance) rapidly enough to challenge the ground rules of CCP. There was no possibility of combating CCP under these circumstances; it could at most be contained. At the same time CCP did not condemn the intervention to failure but was, rather, symptomatic of a crisis management operation geared not towards societal and political transformation, but towards utilising targeted incentives to influence selected political processes or actors.

We subsequently look at the three central fields of reconstruction (section 5):

- security and stabilisation (subsection 5.1),
- state-building and governance (subsection 5.2) and
- development and civil society (subsection 5.3).

We firstly investigate how CCP was exhibited in Afghan processes and institutions, and secondly how the international community and German organisations dealt with CCP. As a fundamental rule, we find that international and German institutions were exposed all the more to corruption, the more interactions they experienced with Afghan society and Afghan state structures. At one end of the spectrum was therefore the Bundeswehr, Germany’s federal armed forces, which hardly had any contact with the population in their largely isolated Provincial Reconstruction Teams (PRTs). At the other end of the spectrum were the implementing organisations, in which Afghans comprised the majority of the workforce and which were confronted with corruption on a daily basis. The situation was different when it came to patronage and clientelism, for the Bundeswehr and the implementing organisations were confronted with these phenomena

equally. According to our findings, all the German organisations exploited and promoted certain patronage systems. The prime concern for the German crisis management operation was to guarantee the security of Germany's Bundeswehr soldiers by collaborating with dominant patrons.

Section 6 introduces an element of reflection on the significance Afghans themselves ascribed to CCP. It becomes clear from the evidence that the Afghan understanding of CCP differed from that of the international community and was characterised by broadly understood, moral judgements. Above all, the double standards the international community displayed in its reconstruction efforts were regarded as corrupt by many Afghans and precipitated a rapid loss of trust between the Afghan population, Afghan state institutions and the international community.

We then analyse how the Afghan government, the international community and German organisations dealt with CCP (section 7). The international community decided to take the path of not granting the Afghan state direct, on-budget support, but using trust funds and off-budgeting to manage the reconstruction process. All the trust funds proved susceptible to corruption (e.g. paying salaries for ghost soldiers), which was why new control and monitoring instruments were introduced again and again in the hope of reining it in. Furthermore, from 2006 on, at the urging of international donors, the Afghan government established a succession of agencies and bodies of rules and regulations intended to contain CCP; however, there was a lack of political will on both the Afghan and international sides. The Afghan judicial authorities were also characterised by their inefficiency and not in a position to seriously set about prosecuting CCP. In consequence, hardly any changes in behaviour could be brought about in the machinery of the Afghan state and civil service. The German implementing organisations deployed their standardised monitoring and control mechanisms above all to combat "petty corruption", which meant they were able to keep it within limits. Nonetheless, this report identifies many entry points that ensured corruption remained a constant issue in daily practice. On account of the political framing (heavy time pressure; pressure to disburse funds), many international and German implementing organisations put up with "petty corruption" once it circumvented the prevailing control systems. There was a certain level of tolerance for CCP, which reflected the unspoken assumptions of both the German and international implementing organisations, and is also met with in other parts of the world. It was comparatively rare for corruption to be reported or sanctioned because this would have demanded an incalculable amount of additional effort. The implementing organisations offered too few incentives for investigation in this area. The German ministries did not follow a shared line in their handling of CCP, but varied between ignoring the issue (Federal Ministry of the Interior (BMI); Federal Ministry of Defence (BMVg)) and inconsistency in tackling it (Federal Foreign Office (AA); Federal Ministry for Economic Cooperation and Development (BMZ)).

At the next stage (section 8), we seek to quantify the magnitude of CCP. Just about every German project was confronted with patronage networks and accommodated them – often in full knowledge of the implications. All the implementing organisations were able to keep "petty corruption" within certain bounds, while "grand corruption" was most likely to occur in the trust funds, which the German Federal Government was also paying into. By far the greatest losses were, however, attributable to projects' resource inefficiency. A grey area opens up here where it is difficult to determine what expenditure is justified and what is unjustified, what is still legal and what is actually corruption. One major problem with the crisis management operation in Afghanistan was that levels of funding were tied to the ability to spend it, but not necessarily to value for money or local expectations et cetera. Administrative, security and implementation costs swallowed up a significant proportion of the funds. Above all, poorly planned or delivered projects, chains of subcontracts, the payment of inflated prices and flows of money back to the donor countries were to blame for systemic resource inefficiency. Resource inefficiency had far greater impacts on the finances available for reconstruction than "petty corruption" for instance. If the calculations presented by the US Special Inspector General for Afghanistan Reconstruction (SIGAR) are taken as a model and the same methods applied analogously to the sums the German Federal Government spent on the crisis management operation in Afghanistan, it is found that approximately 77 million to 123 million euros were lost as a result of corruption, while 768 million to 1.2 billion euros were lost as a result of resource inefficiency.

In the penultimate part of the report, we then look at the example of the crisis management operation in Mali (section 9), which enables us to review the extent to which the structural conditions and handling of CCP in Afghanistan rendered it a unique case or whether it is possible to make generalisations from it. As far as this is concerned, it may be noted that the crisis management operation in Mali was also confronted with similar CCP structures in the state and society as the operation in Afghanistan. As shown by the comparison of Afghanistan and Mali, CCP constitutes a challenge in countries that have not gone through a completed process of state formation and have been devastated by civil wars. In such societies, patronage and clientele

structures represent dominant survival strategies and enjoy more trust than abstract state institutions. Rent economies that feed on international aid payments and/or a shadow economy dominate the political economy. The state itself is transformed into a “source of booty” or is regarded by the ruling elites as providing them with “sinecures”. Corruption is endemic in systems of this kind because it is the “grease” that keeps their clientele structures functioning smoothly. It involves closely intertwined, reciprocally dependent logics of action that run through the whole of society and the state, and are branded deep into political, social and economic structures. This is why CCP poses a systemic challenge that cannot be mastered solely by means of individual reforms, control and monitoring mechanisms or the replacement of policy decision-makers, but requires a macrosocial transformation oriented towards the long term. In any international crisis management (ICM) situation, it is consequently necessary to ask right at the outset: is the intention to instigate such a transformation or not, what risks are associated with a non-transformative approach and what alternatives are there?

In our final section, we pull together the most important findings from this study and – on the basis of our analysis – formulate recommendations for future crisis management operations in which the German Federal Government participates. We have grouped them into a) recommendations concerning the German national policy/strategy level; b) recommendations concerning the international policy/strategy level and c) recommendations concerning the operational/strategic level. However, we do not yet make any direct recommendations at these three levels concerning how CCP can be eradicated because the prioritisation of CCP is a strategic/policy decision. There may, for instance, be good reasons for a stabilisation operation to disregard CCP. For cases where the intention is to eradicate CCP, we then set out d) concrete recommendations concerning the eradication of CCP in line with a transformative approach.

1 Introduction

A financial earthquake rocked Afghanistan in July 2010 when a fraud case worth almost a billion US dollars at the private Kabul Bank became public knowledge. The spectacular example of the Kabul Bank illustrates in exemplary fashion how corruption and political patronage went hand in hand and led to the embezzlement of international aid funds (see Box 1). At the latest following this episode the international community was no longer able to turn a blind eye to corruption and the issue grew in significance – alongside the ever-worsening security situation. From this point on the media reported again and again about corruption scandals in Afghanistan, with incidents coming to light in which Afghan politicians had flown suitcases full of US dollars out of the country in their hand luggage – without having to fear legal consequences. Corruption appeared to be ballooning there and no longer knew any bounds. The high degree of corruption also brought the efforts to reconstruct Afghanistan into discredit in the Federal Republic of Germany and lowered levels of acceptance for the German crisis management operation.

Box 1: The Kabul Bank corruption case (2010)

The indications of a crisis connected with the Kabul Bank began to become more alarming in July 2010. Sherkhan Farnood was the chairman of the Kabul Bank, which was Afghanistan's largest private bank at the time and was also supporting Hamid Karzai's presidential campaign. Two rival factions were struggling for control within the bank: Farnood led one faction, CEO Khalilullah Ferozi the other. Mahmoud Karzai, President Karzai's older brother, and Haseen Fahim, the brother of Vice President Fahim, took Ferozi's side. In order to gain the upper hand over the rival group, Farnood called in the US authorities and revealed that the Kabul Bank functioned as a massive pyramid scheme. It had lent hundreds of millions of US dollars to fictitious businesses controlled by politically influential patronage networks, without any of them ever having repaid their loans. Simultaneously US government funds had regularly been channelled through the bank to pay the salaries of the Afghan armed forces and police, but had been diverted into these loans. These practices had concealed the fact that the Bank's reserves were constantly diminishing, while ordinary Afghan citizens' deposits and transfers from the USA had been used to finance the fraudulent lending. Two of the principal beneficiaries of the fraudulent loans were Mahmoud Karzai and Haseen Fahim. The Kabul Bank was on the brink of collapse in September 2010 when its insolvency became public, triggering panic among its customers. In response, more than 180 million US dollars were withdrawn from accounts with the bank. The value of the corruption was estimated at about 982 million US dollars (SIGAR, 16-58-LL, 2016, pp. 44–45).

The huge significance corruption came to have for public perceptions of the crisis management operation in Afghanistan also prompted donors (above all the Anti-Corruption Monitoring and Evaluation Committee) and NGOs (incl. Integrity Watch Afghanistan; Transparency International) to take up the issue. As the biggest donor in Afghanistan, the USA set up what was probably the most extensive investigation, which was led by the Special Inspector General for Afghanistan Reconstruction (SIGAR). On the German side, some aspects of corruption, clientelism and patronage (CCP) have been investigated to date by the joint ministerial evaluation, which was completed in December 2023, and the Study Commission on Lessons from Afghanistan for Germany's Comprehensive International Engagement in the Future, which was established by the German Bundestag. CCP is mentioned over and over again in the three individual reports (Hartmann et al., 2023; Lange et al., 2023; Meiering et al., 2023) and the joint report (German Institute for Development Evaluation (DEval), German Police University (DHPol) and GFA Consulting Group GmbH (GFA), 2023a) on the interministerial evaluation (2021–2023), as well as the study commission's interim report (German Bundestag, 2024), but not explored in all its ramifications at any point. The study commission therefore identified an analysis of CCP during the Afghanistan mission as something that would be desirable with a view to future crisis management operations. The German Bundestag consequently commissioned the present academic report, which is intended to examine three core questions:

- What role did CCP play in the crisis management operation in Afghanistan?
- What countermeasures were taken?
- How should this challenge be handled during future crisis management operations?

It would therefore appear obvious how much relevance the subject has, and the presumption is that the German Federal Government wishes to learn lessons from the experience gained in Afghanistan for future crisis

management operations. Although Afghanistan is the most prominent example of this kind, the German crisis management operations in Iraq (Abdullah, 2019) and Mali (see section 9) were also confronted with CCP. CCP is a widespread issue all societies have to grapple with to a certain extent. However, in countries that have been shaped by (civil) wars, antagonistic ethno-religious identities, a lack of identification with the state among the population and, above all, the absence of reliable state institutions (especially the rule of law), CCP represents a dominant logic of action and makes societal transformation more difficult.¹ The continued prevalence of CCP results in the vicious circle of civil war, dysfunctional statehood and criminal economic practices being perpetuated. The central question is therefore how this cycle can be broken, and the state and society can start to be transformed. The study of international crisis management operations shows that efforts to do this are most successful if the international community speaks with one voice, has a clear, coherent strategy (incl. conditionality) and itself abides by the new ground rules that are introduced (Chêne, 2012; Le Billon, 2008; OECD, 2009; World Bank, 2012).

As concluded in the five reports from the joint ministerial evaluation and the study commission, eradicating CCP was not a priority for Germany's engagement with the international crisis management operation in Afghanistan. Overall, these reports arrive at the following conclusions about CCP – which form the point of departure for our report. They are unanimous in their general thrust that CCP was first and foremost an “Afghan” problem, which the donors encouraged by the manner in which the crisis management operation was implemented (focus on state-building; too much funding). It is claimed the German actors did not intentionally contribute to CCP and indeed endeavoured to take action against it. The impacts of CCP could accordingly be contained in their own projects, but the projects undertaken by the German ministries had no chance of bringing about change in Afghan institutions as far as CCP was concerned (see Box 2 for more detail). In this academic report, we attempt to verify or disprove these fundamental propositions. We seek to do so by carrying out an in-depth analysis that investigates the interplay of the logics of CCP in Afghanistan and clarifies (a) the contexts in which German and international actors were confronted with CCP, (b) the extent to which they strengthened, weakened or ignored CCP and (c) what conclusions can be drawn about these issues. Building on this, we develop concrete practical recommendations concerning how future crisis management operations should deal with CCP. First of all, in this introduction, we also wish to explain the methodology that has been followed (subsection 1.1) and the structure of the study (subsection 1.2).

Box 2: CCP in the study commission and joint interministerial evaluation reports

The central propositions of the three individual reports (Hartmann et al., 2023 for the BMZ; Lange et al., 2023 for the BMI; Meiering et al., 2023 for the AA), the joint report on the interministerial evaluation (2021–2023) (DEval, DHPol and GFA, 2023a) and the study commission's interim report (German Bundestag, 2024) are as follows:

- CCP generally: All the reports describe CCP as being an important factor in the failures in Afghanistan. CCP is discussed as a horizontal issue and runs like a leitmotif through all five reports (German Bundestag, 2024).
- CCP – an Afghan issue: CCP is treated as an Afghan problem because it penetrates every part of society and the state (German Bundestag, 2024). The implicit, unspoken assumption is that the international actors are not corrupt, and a clear distinction opens up here between the Afghans and the international community.
- The approach chosen reinforced CCP: One fundamental conclusion is that a deep contradiction developed during the crisis management operation. On the one hand, the Afghans were supposed to be given greater ownership; on the other, the aim of building a modern state along Western lines was pursued without taking account of the contextual conditions. The outcome was that this encouraged the “expansion and consolidation of corruption, clientelistic structures and experiences of lawlessness” (Hartmann et al., 2023, p. 30; see also Meiering et al., 2023, p. 6).
- Glut of money: All the reports concur in the assessment that the provision of too much funding by the international donors during certain phases encouraged rentier behaviours, corruption and patronage/clientele relationships funded by aid payments (Meiering et al., 2023, p. 10; DEval, DHPol and GFA, 2023a).

¹ See Bayart (1993); Bienen (1978); Chabal and Daloz (1999); Clapham (1982); Collier and Hoeffler (2000); Le Billon (2003); Mauro (1995); Rothchild (1997); Zolberg (1966).

All the reports discuss the interfaces with German organisations and Germans' own contributions to CCP in Afghanistan defensively:

- Unintended outcomes: There is unanimity that the Federal Republic of Germany did not intend its activities to contribute to the strengthening of the rentier state and corruption (DEVal, DHPol and GFA, 2023a, p. 7; Meiering et al., 2023, p. 6).
- German conduct is a blind spot: The reports do not thematise the extent to which there was a certain acceptance of CCP among the German actors and this reflected the German organisations' unspoken assumptions.
- Intended outcomes: The extent to which the German Federal Government deliberately encouraged CCP in Afghanistan or was itself affected by CCP is not thematised.

German/international organisations' handling of CCP is discussed in all the reports:

- Operational control mechanisms: The reports emphasise that the German projects took more or less rigorous precautions against CCP at the operational level again and again (off-budgeting). Control measures against what is known as "petty corruption" were applied in a standardised fashion (Hartmann et al., 2023; Lange et al., 2023; Meiering et al., 2023).
- Concrete measures to reduce CCP: The German actors attempted to reduce CCP among their Afghan partners using a range of methods (including training courses). Nonetheless, the reports stress that the effects of these measures were not quantified and the measures taken were hardly sufficient to change the system (Hartmann et al., 2023).
- Understanding of CCP at the policy level: The reports emphasise that CCP in Afghanistan was not paid the attention it deserved by the German ministries or at the international level (DEVal, DHPol and GFA, 2023a). However, the federal ministries reflected on CCP to varying degrees. The Federal Foreign Office recognised the risks of CCP (Meiering et al., 2023, pp. 10, 61–62). By contrast, there was "no adequate systematic consideration of the costs and benefits of the engagement in the light of these risks [CCP]" at the Federal Ministry of the Interior (Lange et al., 2023, p. 80). Nor was CCP addressed at the strategic level within the Federal Ministry for Economic Cooperation and Development (Hartmann et al., 2023, p. 79).

Assessment of German performance: The reports disagree in their assessments of how Afghans viewed the German handling of CCP. Meiering et al. (2023, p. 72) find that, on account of their control mechanisms, the German actors in Afghanistan enjoyed the reputation of working comparatively transparently and meticulously. By contrast, Hartmann et al. (2023) and the joint report (DEVal, DHPol and GFA, 2023a) emphasise that the German civil actors' standing among the Afghan population was damaged because they were accused by Afghans of inaction or even being implicated in CCP (Hartmann et al., 2023, p. 81).

1.1 Methodology

This study is founded on a mixed methodological approach. The main emphasis has been placed on qualitative research, which was based on a wide-ranging survey and evaluation of the literature (incl. grey literature), as well as targeted interviews with experts. In addition, the research team was able to draw on its members' many years of experience as researchers and practitioners, which has informed the analysis (see Annex II).

A systematic online search, existing literature reviews and recommendations from experts enabled us to identify a total of more than 300 documents that are particularly relevant to CCP in Afghanistan. Apart from the academic literature, this also involved consulting an abundance of grey literature published by governmental and non-governmental organisations. Our evaluation found that:

- the majority of the literature on CCP has appeared in English;
- many publications discuss perceptions of CCP among the Afghan population;
- academically well-founded analyses that contextualise CCP in Afghanistan culturally and historically are available;
- there is hardly any publicly accessible grey or academic literature on CCP concerned with the German federal ministries and implementing organisations/Bundeswehr;
- there is no publicly accessible information about the German ministries' handling of CCP and/or the countermeasures they took. Although CCP is mentioned again and again (e.g. in the German Federal Government's progress reports), no attempt to address the issue in depth is to be found.

Interviews with experts helped us close these gaps in the research literature. We used them to gather concrete examples of the scale of CCP, as well as its mechanisms. The team narrowed down the selection of interviewees continuously in several stages, identifying individuals who would be able to discuss at least one of the three substantive topics prescribed by the study commission (security and stabilisation, state-building and governance, development and civil society). The interviewees were:

- German policy decision makers
- German practitioners
- Afghan decision makers
- International and Afghan experts

Figure 1: Interviewees broken down by occupational background and main topic covered



Source: authors' data, bicc

Given the sensitivity of the issue, many interviewees were reluctant to talk to us. They feared doing so would cast a poor light on their organisations. This was especially the case among the Afghan interviewees. Having sent out more than fifty requests, the team conducted a total of forty-five interviews between 3 April and 22 May 2024 in English, German and Dari. Forty-two interviews were conducted online, one by email and two in person. In response to a request for an interview with representatives of the Bundesrechnungshof, Germany's supreme audit institution, we received a written statement. Nearly a quarter (11) of all the interviewees were women. On the German side, we conducted five interviews with representatives of the Federal Foreign Office and two with representatives of the Federal Ministry for Economic Cooperation and Development. We concentrated above all on the delivery level, and consequently conducted interviews with five Bundeswehr soldiers and two police officers who had been stationed in Afghanistan. Furthermore, we conducted fourteen interviews with representatives of German implementing organisations and two interviews with representatives of foundations affiliated to German political parties. Since some of our interviewees had been active in multiple roles in Afghanistan, we have listed them in Annex I grouped by the main topics

discussed. Figure 1 shows a breakdown of the interviewees by topic and background. The seven Afghan decision makers had held high-ranking policymaking positions, including cabinet posts, during the intervention. The international and Afghan experts consisted of a mixture of academics, evaluators, and staff and consultants who had worked for UN organisations.

The team drew up a list of key questions for the interviews. The interviewees had the choice whether they wished to be identified by name in the report or remain anonymous. Since almost half the interviewees preferred anonymity – above all, most of the German decision makers and practitioners and their organisations – all the interviews were anonymised on ethical grounds and in the interests of consistency. All direct quotations from the interviews were submitted to the interviewees for their approval. During the interviews we were told repeatedly about concrete examples of CCP, some of which have been included in this study as well. These examples are drawn from personal experience and/or reflect personal assessments and opinions, and could not be triangulated in this study. Ultimately, our examples, which we mainly discuss in the boxes and footnotes, remain anecdotal. It is also important to emphasise that this study was carried out following what many participants experienced as a traumatic crisis management operation. In consequence, their answers were often emotionally charged and showed them attempting to process and rationalise what had happened.

Unfortunately, it was not possible to carry out a quantitative analysis of CCP's negative impact on German projects, as originally intended.² The reason for this was that we did not gain access to the relevant data sets, even though they are stored in the systems of the implementing organisations and ministries (Box 3). The data sets that are available (esp. *A Survey of the Afghan People*) provided no evidence about corruption implicating German or international donors.

Box 3: The data on CCP: lack of publicly accessible sources

As a rule, concrete information or data sets relating to German projects in Afghanistan are not publicly accessible, which is not a problem specific to Afghanistan, but true of all international projects conducted by the German implementing organisations/Bundeswehr. This is surprising because Germany possesses a well-organised evaluation system. Various authors (Lange et al., 2023; Meiering et al., 2023; Natanzi and Schmeding, 2023) have addressed the lack of transparency and accountability shown by the German actors in this respect. The web portals³ consulted between February and May 2024 either supplied no publicly accessible data or only very limited amounts of data that were not detailed enough to permit analysis. For the most part, there were no specific filters for Afghanistan, and the little information available was not always provided in machine-readable formats (cf. Afghan Expert 1, 9 April 2024).

This is why section 8, in which we seek to quantify the total losses suffered by German projects due to CCP, only includes data that have been generated by extrapolating from analyses of other donor data.⁴ Nevertheless, we have calculated figures for the costs of corruption and resource inefficiency to the German operations in Afghanistan. They were, however, not arrived at by reviewing the German projects, but by taking the methods SIGAR used to calculate the losses suffered by the US intervention and applying them analogously to the German operations. This allowed us to determine upper and lower limits for the losses, which are, however, to be treated with great caution and have no validity. A robust calculation of the costs of corruption and resource inefficiency would require the analysis and scrutiny of individual projects, which would far exceed the scope of this study.

This academic report is therefore not founded on an adequate data basis that would allow the significance of CCP during the crisis management operation in Afghanistan to be analysed and surveyed systematically. Instead, the report is founded on descriptions of individual cases and anecdotal knowledge that are backed up by statements made in the academic and grey literature.

² The quantitative data search was intended to track the funds' expenditure during each phase of the aid effort in accordance with the international principles of public financial management and the public budget cycle.

³ Incl. the BMZ's Transparency Portal (<https://www.transparenzportal.bund.de/dei>); GovData.de (<https://www.govdata.de/>); BMZ project and organisational data; GIZ project data (<https://www.giz.de/projekttdaten/>); the federal budget download portal (<https://www.bundeshaushalt.de/DE/Download-Portal/download-portal.html>).

⁴ The USA is the most important benchmark here because it was the biggest donor in Afghanistan and its data gathering standards are comparable with those applied in Germany. In addition, the USA has made extensive information and reports available through SIGAR.

1.2 Structure

This academic report is structured as follows: Initially, in section 2 (Definition of CCP), we give explanations of the central terms connected with CCP and discuss how they relate to one another. We feel it is important to make clear that these terms' connotations in Afghan usage are slightly different from how they are understood by the international organisations.

Section 3 (Contextualisation of CCP in Afghanistan) provides an introductory outline of our case study of Afghanistan and identifies the elementary drivers behind CCP that were already having pernicious effects before the beginning of the crisis management operation in 2001: the Afghan rentier state, the political fragmentation seen during the civil war, the significance of collective identities (incl. ethnicity) as frames of reference for patronage and clientelism, and the emergence of illegal economies, above all the cultivation of drugs.

Section 4 (Structural factors and factors that encouraged CCP during the crisis management operation in Afghanistan (2001–2022)) gives an overview of the central pillars of the crisis management operation. We firstly devote our attention to the landmark decisions decisive for the significance of CCP that were taken right at the beginning of the intervention (October 2001) (subsection 4.1). We also look at how CCP was exhibited in political and economic processes (elections, state-building, illegal economies) (subsection 4.2). In the third subsection, we examine how the international community approached the reconstruction of Afghanistan at a higher-order level and what central challenges were encountered during this process (subsection 4.3).

Section 5 (The significance of CCP in the Afghan reconstruction effort) explores the role CCP played at the interfaces between Afghan actors and organisations, on the one hand, and the international and German organisations, on the other, by looking at the three topics prescribed by the study commission. We initially examine “security and stabilisation” (subsection 5.1), then “state-building and governance” (subsection 5.2) and finally “development and civil society” (subsection 5.3). The study commission had also suggested that we consider “peace” as one of our topics under the last of these headings. However, we found it difficult to directly assign material to this category, especially as we touch on the issue at various points (incl. subsections 4.2 and 5.1).

We also believe it is important not merely to look at CCP from an external point of view. This is why section 6 (Measurement and evaluation of CCP) explores how Afghans themselves viewed CCP. It is clear from the evidence that Afghans had an understanding of CCP that differed from the standardised, Western understanding, although there were also some overlaps.

Section 7 (Countermeasures) gives an account of the countermeasures developed to curb CCP by the Afghan government (subsection 7.1) and the international donor community (subsection 7.2). However, the main focus of this section lies on the German control and monitoring measures (subsection 7.3). These are described in detail, as well as the entry points that opened up for CCP.

Section 8 (Order of magnitude of CCP) then attempts to delineate the orders of magnitude of the costs to the international and German operations caused by patronage (subsection 8.1), corruption (subsection 8.2) and resource inefficiency (subsection 8.3). The figures are to be treated with great caution because they are mostly based on estimates. The same is also true of our conclusions (subsection 8.4), in which we calculate upper and lower limits for the volumes of German resources lost due to corruption and inefficiency that are analogous to SIGAR's data for the US operations.

In section 9, we illuminate the extent to which Afghanistan represents a unique case or whether similar tendencies in the handling of CCP can also be identified in other crisis management operations. We approach this question by looking at the example of Mali, where a comparable crisis management operation was undertaken with the involvement of the same four German federal ministries (AA, BMI, BMVg, BMZ). Our findings indicate that CCP is a challenge crisis management operations will always be confronted with in fragile contexts.

Finally, in section 10 (Findings and recommendations), we present the central findings reached in this academic report. We build on them to formulate concrete recommendations concerning how the German Federal Government, the international community and the implementing organisations should deal with CCP in future international crisis management operations.

10 Findings and recommendations

The present academic report has examined the role CCP played in the German operations during the twenty-year intervention in Afghanistan (2001–2021). For our analysis, we initially defined the central meanings of the three key terms “corruption”, “clientelism” and “patronage”, locating them in a common context (section 2). We also introduced the term “resource inefficiency” in order to expand and delimit our concept of corruption.

Subsequently (section 3) we gave a brief account of the initial situation prior to 2001 and the role CCP played in Afghanistan, which can look back on a long history of rentier economics. CCP structures became more deeply entrenched during the war that was waged from 1979 on due to political fragmentation, the mobilisation of ethno-religious identities and a dominant economy of violence.

We have explored the significance of CCP in the course of the crisis management operation at several levels. At the first level (section 4), we investigated the extent to which political processes and the strategic approach to reconstruction had impacted on CCP. Here, we elucidated the role of the international intervention community, whose decisions about working methods and approaches in Afghanistan, which were also determined in part by their specific timing, specific political developments and the specific overall context, combined with the political context in Afghanistan to create a favourable environment for the occurrence of CCP.

At the second level (section 5), we then examined the three main fields of peace consolidation and reconstruction in Afghanistan: a) security and stabilisation, b) state-building and governance and c) development and civil society. On the one hand, we investigated how CCP was exhibited in Afghan processes and institutions and, on the other, how the international community and the German implementing organisations/Bundeswehr/police dealt with CCP.

At the third level (section 6), we introduced an element of reflection on the significance Afghans themselves ascribed to CCP. It became clear that the Afghan understanding of CCP differed from that prevalent among the international community.

We went on to analyse how the Afghan government, the international community and the German implementing organisations handled CCP (section 7). In doing so, we explored organisational structures, examined control and monitoring mechanisms, and looked at the entry points for CCP.

Section 8 drew together a variety of statistics to convey an approximate sense of the magnitude of CCP in Afghanistan.

In the penultimate part of our report (section 9), we then considered the example of the crisis management operation in Mali, which enabled us to assess the extent to which structural conditions and the handling of CCP in Afghanistan rendered it a unique case or whether generalisations could possibly be made from it.

In this final section, we wish to discuss the study’s central findings and go on to formulate concrete recommendations concerning the handling of CCP during future crisis management operations.

10.1 Findings

The thirteen main findings from the study can be summarised as follows:

- 1) **CCP as a challenge for crisis management operations:** CCP occurs in all societal and political systems – even in countries distinguished by good governance. As, however, is shown by comparing our two case studies, Afghanistan and Mali, CCP is a particular challenge for countries that have not gone through completed processes of state formation and have been devastated by civil wars. In societies of this kind, patronage and clientele structures represent dominant survival strategies and enjoy more trust than abstract state institutions. In such contexts, it is also very easy for dominant rent economies to develop that feed on international aid payments and/or a shadow economy. The state itself is transformed into a source of booty and comes to be regarded by the ruling elites as providing them with “sinecures”. The point is then reached at which the system only benefits a tiny elite and no longer serves collective interests, especially as money flows in from abroad and is regarded as an inexhaustible bounty. Corruption is endemic in systems of this kind because it is the “grease” that keeps their clientele networks functioning smoothly. As the case of Afghanistan demonstrates, patronage structures are all the more resilient if they can draw on shared ethno-religious identities and cultural practices. Above all, the entanglement of Afghan politics with a shadow economy (the narco-state) and a culture of impunity made it difficult to contain CCP in Afghanistan. It is interesting to consider the inflection point at which a system of patronage evolves from a social survival mechanism into a counterproductive force because it aids personal enrichment, reinforces

inequality, misappropriates public resources, undermines institutions and hollows out the state, making reforms and anti-corruption mechanisms futile.

- 2) **CCP as a reason for failure:** It was not CCP that condemned the international intervention in Afghanistan to failure, but the fact that the intervening parties did not respect the Afghans or Afghan culture. Rather, CCP was symptomatic of policies predicated not on change, but on the establishment of certain power elites. As the leading nation, the USA relied on maintaining former belligerents' clientele systems in order to minimise its own losses. It became apparent that the first landmark decision (deployment of the Northern Alliance against the Taliban) had set in train processes that were difficult to reverse, and the international crisis management operation in Afghanistan came to have an intrinsic path dependency. The international community (incl. Germany) tolerated CCP as a logic of action at various levels and in various processes, and prioritised combatting it too late. The further the political and civil reconstruction efforts were rolled out, the more strongly CCP was manifested in a range of processes.
- 3) **CCP in crisis intervention:** The crisis management operation in Afghanistan was marked – even more than that in Mali – by the fact that the international actors understood eradicating CCP as a priority too late. International efforts and the pressure on the Afghan government to combat CCP increased a great deal in the last few years of the intervention, but measures were often implemented too slowly and inconsistently. When it came to Afghanistan, all other tasks, such as state-building, fostering security, peace consolidation, fighting poverty et cetera were subordinated to the “War on Terror”. The international system therefore made possible and tolerated a certain degree of CCP on security grounds. The structures of CCP in Afghanistan did not differ essentially from those encountered in other countries, but the corruption rate was extraordinarily high on account of the provision of too many financial resources and the lack of capacity to absorb them. What was more, the intervention was characterised by resource inefficiency. A huge amount of money was ploughed into projects that were not well thought through. The “moral corruption” of the international intervening parties and the Afghan government gave the Taliban legitimacy.
- 4) **The crisis management operation's political strategy:** In the first few years structures were established at the political level that, directly or indirectly, intentionally or unintentionally, boosted CCP at all levels. This was evident from political processes during which the USA and the UN themselves engaged in policies of patronage and tolerated a certain degree of electoral fraud. It was even more starkly apparent in the reconstruction effort, which created many entry points that strengthened CCP. Mention may be made here of:
 - the pursuit of ambitious objectives within an unrealistic time frame, the provision of too many financial resources where there was too little capacity on the ground to absorb them, the strengthening of the rentier state and the prioritisation of quick wins at the expense of protracted state-building efforts caused increases in both “petty” and “grand” corruption, as well as resource inefficiency;
 - the light footprint and lead nation approaches hindered coordination and therefore opened the floodgates for CCP;
 - the emergence of an uncontrolled reconstruction industry and parallel structures was conducive to massive resource inefficiency;
 - the lack of a long-term strategy hindered any reconsideration of the crisis management operation's direction and resulted in CCP control mechanisms and anti-corruption measures being prioritised too late.
- 5) **Institution building:** The structure and organisation of the intervention in Afghanistan – with counterterrorism being prioritised – meant it was not possible to establish new ground rules (above all good governance) that challenged the ground rules of CCP, undermining the power of the warlords. In Afghanistan, the tension between counterterrorism and state-building and their conflicting aims created a favourable environment for CCP. Effective action to combat CCP could not be taken under these circumstances; at most, it was possible to contain it successfully to some extent (among other things using trust funds and off-budgeting), even though this was not entirely successful because the trust funds were affected by “grand corruption”. On account of the tight timeframe set by the Bonn Agreements, the international community mobilised large amounts of resources to hastily set up governance structures, instead of buckling down to the incremental work of constructing sustainable

institutions with accountability systems. This created a breeding ground for CCP, which jeopardised both the security objectives and development targets for Afghanistan over the long term and kept the Afghan state weak. Not only that, the actors manoeuvred themselves more and more into dependence on a tiny elite, whose logic of action was rooted in CCP. In the end, less (money) would have got more done, provided it had been used sustainably and meaningfully to fashion a streamlined, accountable state that would have been capable of performing its functions.

- 6) **Double standards:** In its formal processes, the international community upheld the principles of good governance, the rule of law and democracy, which were diametrically opposed to the principles of CCP. At the same time it tolerated and accommodated Afghan patronage and clientele structures – whether at elections or when awarding contracts for projects. This contradiction meant the international community was viewed as morally corrupt in Afghans’ eyes and confidence in it declined rapidly.
- 7) **Trust funds versus state responsibility:** The international community decided to take a path of not granting the Afghan state direct, on-budget support, but using trust funds and off-budgeting to manage the reconstruction process. All the trust funds, which were administered by international organisations/donors, were susceptible to corruption (e.g. paying salaries for ghost soldiers). They consequently did not offer a genuinely convincing instrument with which to suppress corruption in Afghanistan. Given the rampant corruption, new monitoring instruments were introduced again and again at all the trust funds in order to restrict it. Another problematic aspect of the trust funds was the fact that, ultimately, there was no confidence in the Afghan state to assume ownership over spending decisions and it was not permitted to do so, thus depriving it of responsibility for the disbursement of funds. If the Afghan state had taken charge of how money was spent, this would – the donors feared – have resulted in CCP on a scale that would have damaged their reputations (too little control); it could also have led to an intensification of the conflicts between competing patronage systems over the distribution of the funds that were available, which might have triggered a renewed slide into civil war.
- 8) **Federal Republic of Germany: strategic level:** The German federal ministries did not follow a common line in their handling of CCP, but varied between ignoring the issue (BMI; BMVg) and inconsistencies and delays in tackling it (AA; BMZ). We concur with the judgement of the joint interministerial evaluation, which comes to the conclusion that, “at the strategic level there is no evidence the federal ministries [...] paid sufficient attention to the challenge [of CCP]” (DEval, DHPol and GFA, 2023a, p. 6).
- 9) **Federal Republic of Germany: CCP in reconstruction operations:** As a fundamental rule, we found that international and German organisations were all the more heavily exposed to corruption, the more uncritical interactions they experienced with their Afghan environment in the absence of sufficient understanding or appreciation of the context. At one end of the spectrum was the Bundeswehr, which hardly had any contact with the population in its largely isolated PRTs. At the other end of the spectrum were the implementing organisations, in which Afghans comprised the majority of the workforce and which were confronted with “petty corruption” on a daily basis. The situation was different when it came to patronage and clientelism. All the German organisations promoted selected patronage systems. This amplified the socio-economic inequality between those who profited from the intervention and the rest of society. The Bundeswehr made sure local warlords would stay well disposed towards it; German implementing organisations accommodated the clientele networks of local or exiled elites. Above all, the example of Mohammad Atta Noor, the governor of the northern Afghan province Balkh, illustrates how the implementation of German projects was geared towards local power structures. The prime concern for the German crisis management operation was to guarantee the security of Germany’s Bundeswehr soldiers by cooperating with dominant patrons. Unlike the reports on the interministerial evaluation and the study commission’s interim report, we identify intentional action at the operational level in this field.
- 10) **Countermeasures:** During the crisis management operation the international community undertook an abundance of activities to limit CCP, which generally failed to have the desired effect – partly because they were implemented too late and too half-heartedly. In response to pressure from international donors, the Afghan government kept setting up new agencies to contain CCP; however, there was a lack of political will on the Afghan side and sometimes on the international side. Nor were there judicial authorities who would have seriously set about prosecuting CCP. In consequence,

hardly any behavioural changes could be brought about in the machinery of the Afghan state and civil service. The German implementing organisations used their standardised monitoring and control mechanisms above all to combat “petty corruption”, as a result of which they were able to keep it within limits. Nonetheless, we have identified many entry points that ensured corruption remained a constant issue in daily practice. Given the conditions created by the policy context (heavy time pressure; pressure to disburse funds), “petty corruption” was put up with and normalised to some extent once it circumvented the prevailing control systems. There was a certain level of tolerance for CCP, which reflected the unspoken assumptions of German implementing organisations and is also met with in other parts of the world. This led many decision makers and practitioners to rationalise the corruption around them in order to reduce the cognitive dissonance they felt. One popular narrative was that penalising individuals for CCP would not actually change the overall system anyway or would tend to have harmful consequences. This gave rise to moral decoupling mechanisms, which enabled staff members to distance themselves from the ethical implications of their actions and unintentionally make corrupt conduct possible. It was therefore comparatively rare for corruption to be reported or sanctions imposed. This would probably have demanded additional effort and run counter to the implementing organisations’ incentive systems. The implementing organisations set the wrong incentives in this field.

- 11) **Resource inefficiency:** A grey area opens up between corruption and resource inefficiency where it is difficult to determine what expenditure is justified and what is unjustified. The logic of Afghanistan’s reconstruction tied levels of funding to the ability to spend it, but not to efficiency and meaningfulness. The provision of too many financial resources where there was too little capacity to absorb them caused increases in both large and small-scale corruption. The systemic inefficiencies involved in the disbursement of funds were the main problem. Administrative, security and implementation costs absorbed a significant proportion of the funding. Above all, poorly planned or delivered projects, chains of subcontracts, the payment of inflated prices and flows of money back to the donor countries resulted in resource inefficiency. This had much stronger impacts on the finances available for reconstruction than “petty corruption” for instance.
- 12) **Order of magnitude of CCP:** Just about all the German projects were confronted with clientele networks and accommodated them – often in full knowledge of the implications. Various studies suggest that, on average, approximately 35 to 50 per cent of every project’s aid funds were spent in the interests of particular elites. Undoubtedly, cooperation with certain patrons can be legitimised from case to case as long as this allows projects to be implemented and higher-order objectives achieved. What is problematic is that there was no transparency about the deliberate promotion of certain patrons, and the consequences were not analysed – either between the federal ministries or between the ministries and the implementing organisations. Projects could only be implemented in Afghanistan if the actors were willing to tolerate a minimum of “petty corruption”. It was less a question of “whether” than “how much”. The “grand corruption” that affected German financial resources was most likely to occur in the trust funds. However, the greatest losses were attributable to resource inefficiency. Unfortunately, we did not have access to any quantitative assessments of CCP’s significance for individual projects delivered under the German engagement or the crisis management operation as a whole. If SIGAR’s calculations are taken as a model and the same methods applied analogously to the sums the German Federal Government expended on the crisis management operation in Afghanistan, it is found that approximately 77 to 123 million euros were lost as a result of corruption during the twenty-year operation, which would be equivalent to between 0.4 and 0.7 per cent of total expenditure; the losses due to resource inefficiency amounted to 768 million to 1.2 billion euros, which would be equivalent to between 4.1 and 6.6 per cent of total expenditure. These calculations are to be treated with great caution. Calculating valid figures would require the analysis and examination of individual German projects, which was not possible for the present report.
- 13) **CCP and macrosocial transformation:** CCP involves closely intertwined, reciprocally dependent logics of action that run through the whole of society and the state at all levels, and are deeply rooted in political, social and economic structures. This is why CCP constitutes a systemic challenge that cannot be mastered by means of individual reforms, control and monitoring mechanisms or the replacement of policy decision makers, but requires a macrosocial transformation. Decision makers accordingly have to ask right at the beginning of a crisis management operation whether the intention should be to instigate such a transformation – and whether the necessary instruments and resources

are available to do this – or not. Furthermore, since the paradigm change in German security and defence policy prompted by the invasion of Ukraine and the prioritisation of collective and national defence to which it led, there has been a conflict between the aims of international crisis management operations whose limited resources make it expedient to have an exit strategy in place and the long-termism necessary when it comes to supporting intended societal change.

10.2 Recommendations

We have drawn on these evidence-based study findings and academic evaluations of corruption⁵ to formulate the recommendations detailed below concerning the handling of corruption when the German Federal Government participates in future international crisis management (ICM) operations. As our analysis has shown, every crisis context requires a firm decision to be taken, if possible in advance, about whether the eradication of CCP is to be prioritised or whether CCP and, quite particularly, dimensions of CCP that go beyond what is known as petty corruption are to be largely disregarded. Here, we draw a distinction between interventions that pursue a stabilisation approach and interventions that pursue a transformation approach.

Under a policy of stabilisation as defined by the Federal Foreign Office (2022), targeted incentives are utilised to influence selected political processes or actors, for instance in order to support political processes that contain violence or make reconciliation possible between the parties to a conflict. This understanding of stabilisation may occasionally legitimise the maintenance of, or encouragement for, CCP as long as it ensures particular objectives (e.g. curbing violence, peace talks) are achieved. The rationale is that not all good things can happen at once and it may be necessary to put up with some CCP in order to achieve a higher-order objective.

By contrast, if the German Federal Government decides in favour of a policy of transformation, the eradication of CCP must be given prominence as a horizontal task at an early stage and subsequently persevered with as a high priority. In crisis management operations with long-term ambitions for system change (establishment of new ground rules, transformation of the political culture as regards CCP), the negative impacts of CCP – in particular at scale and over the long term – on access to resources, the distribution of resources and well-being/economic and social (“human”) development are immense, as is the long-term potential for conflict and destabilisation inherent in these impacts. The prioritisation of combating CCP is a strategic/policy decision that has to be weighed up against other policy objectives. Ultimately, the German Federal Government has to decide *before the beginning* of a crisis management operation whether to plan for a short-term stabilisation approach – with CCP potentially being accepted – or a long-term transformation approach – with action being taken to combat CCP. As the example of Afghanistan demonstrates persuasively, it is hardly possible to switch strategic objectives in the middle of an intervention, something that incurs heavy costs and a loss of credibility.

In order to do justice to this consideration and, apart from concrete options for the holistic eradication of CCP, also put forward practical recommendations concerning policy/strategic decision-making, we have structured our recommendations as follows:

- 1. Recommendations concerning the German national policy/strategy level**
- 2. Recommendations concerning the international policy/strategy level and coordination under the comprehensive approach**
- 3. Recommendations concerning the operational/strategic level**
- 4. Recommendations concerning the eradication of CCP in line with a transformational approach**

⁵ A selection of the most important documents we consulted: Hopp-Nishanka, Rogers and Humphreys (2022), World Bank (2015), Bak (2019), Bajpai and Myers (2020), Chêne/Transparency International (2012), High-Level Advisory Group (2017), UNAMA (2021; 2019).

1. Recommendations concerning the German national policy/strategy level

- 1.1. **Address CCP as a central challenge:** Against the background of the German National Security Strategy and the determination it articulates to provide stronger support in future crisis contexts, every conflict and engagement requires a review of how much weight CCP already has in the context of the mission immediately before it begins. This should be assessed prior to the engagement, drawing on the insights gained from a thorough contextual analysis of the crisis context's political economy (national/regional analysis) and a peace and conflict analysis that includes a risk assessment of CCP structures. Furthermore, it is necessary to decide on this basis how much weight the German Federal Government wishes to give CCP in the specific conflict context while taking account of strategic, national and collective Alliance interests. This should be balanced with a realistic assessment of the engagement's objectives and their achievability, on the one hand, and the instruments and resources that are available, on the other. With regard to the handling of CCP, the federal ministries should develop a shared understanding and framework (incl. scenarios; guidelines) that set out how they will deal with CCP depending on the policy objective, what conflicts there may be between different aims, what outcomes with the potential to exacerbate conflicts could be encountered and what options for action will be effective. This presupposes all the federal ministries adopt a clear position on whether to pursue a policy of stabilisation or a policy of transformation, which will require ongoing review. Under a policy of stabilisation, as it is understood by the Federal Foreign Office, targeted incentives are utilised to influence selected political processes or actors, which can also involve the maintenance of CCP. By contrast, if the German Federal Government decides in favour of a policy of transformation, the eradication of CCP must be given prominence as a horizontal task at an early stage and subsequently persevered with as a high priority. The results should be documented, reviewed periodically and adjusted where necessary as the engagement continues (see next recommendation). The German Federal Government's attitude towards CCP is to be highlighted in strategic communications about the engagement as a substantive element of its approach.
- 1.2. **Coordination of ministries and their instruments:** The coordination of approaches and instruments between the federal ministries is pivotal in ensuring CCP is handled coherently and correcting the interplay between the instruments deployed where necessary. From the outset the impacts of the operation on each individual instrument should be reviewed with a view to the achievement of higher-order objectives in order to avoid possible unintended consequences. The deployment of the Bundeswehr, for instance, should not result in problematic clientele networks having to be accommodated – counter to an overarching strategy. On account of the competition between the federal ministries that is sometimes noticeable, their coordination should be incumbent on a working group based either at the Federal Chancellery or in an independent, interministerial body (e.g. a potential federal security council) so as to make a “whole-of-government” approach possible, develop guidelines and ensure the coherent handling of CCP.
- 1.3. **Establishment of an oversight institution:** Especially when it comes to reviewing how CCP is handled, there is a need to establish an autonomous oversight institution, for example in the format of an ombudsperson's office that holds a clear mandate giving it the power to audit and investigate all projects independently of the German Federal Government and the international donors, and that is able to make recommendations to the federal ministries.⁶ By analogy to SIGAR, which reports to the US Congress, this body could be attached to the German Bundestag. The proposed institution should regularly publish detailed reports on its findings, its recommendations and the measures taken in response to its audits. It would be purposeful and expedient in the interests of transparency to create a user-friendly online portal on which all reports, data and findings would be publicly accessible. Such an institution would be in a position to ensure the ministries acted responsibly with respect to CCP. Furthermore, the Bundestag should use its committees to regularly review the coherence of the action taken by the ministries to deal with CCP.

⁶ If its mandate were restricted to corruption and resource inefficiency, this body could be based at the Bundesrechnungshof; if its mandate also extended to the political dimension (patronage, clientelism), the Bundestag would come into question. It could also be hosted at the EU level.

2. Recommendations concerning the international policy/strategy level

- 2.1. **Joint international strategy:** As the example of Afghanistan demonstrates, it is crucial to coordinate national interests and objectives and develop a coherent international strategy for multilateral crisis management operations. This involves, firstly, agreement being reached at an early stage – ideally preceding the beginning of the engagement – on how much weight CCP already has in the specific crisis context and how the international partners view this in the light of their own interests in the crisis engagement. Secondly, it is absolutely essential for the international partners to agree on what role CCP is to have under the international strategy if they are to achieve their joint strategic objectives. This means clarifying the extent to which existing sociopolitical structures are to be preserved or whether a policy of transformation in the direction of new ground rules – targeted at reducing the significance of CCP – is to be instigated. Concomitantly, it is necessary from the start to critically assess conflicting objectives and the methods that are to be prioritised where such conflicts arise. If the actors fail to reach agreement about these matters, success will elude the mission. When there are differences of opinion among the international partners, they should be documented; where applicable, the reasons why a partner has ceased (continuing) to support particular programmes and measures and/or withdrawn while the engagement is still ongoing should also be documented.
- 2.2. **Coherent international governance structure and instruments:** The clarity of the consensus reached on an operation's objectives and joint strategic approach must also be reflected in a clear governance structure for the international actors. The lead nation concept has proven unsuitable in view of the complex challenges that are encountered, among other things in relation to the dovetailing of instruments and their integrated outcomes. Hence the need for a clear leadership structure that specifies competences, areas of responsibility and decision-making processes, but at the same time ensures it is possible to gain an overview of how the instruments dovetail and make corrections when the occasion arises. Such a body could be established by the UN – under the UN ONE approach and the civil cluster model – or as a separate coordination platform for all the participating actors. Under an arrangement of this kind, the clear assignment of leadership roles is important, while political will and commitment on the part of the international partners are fundamentally indispensable. Otherwise, there is a danger that a lack of coherence and coordination will allow CCP to find numerous entry points. The coordination structure/body that monitors the integrative effects of measures' interactions should strive for the optimal combination of the individual partners' capabilities, resources and instruments in order to achieve the objectives that have been set. Ideally, policing, the justice system, drug control, counterterrorism, state-building and security can be thought about more inclusively, and instruments and resources deployed in more precisely targeted ways. These are crucial elements if the acceptance and legitimacy of the crisis management operation are to be enhanced.
- 2.3. **Model clear ground rules and acceptance:** The international community must itself abide by the ground rules it is seeking to enforce so it is not exposed to accusations of double standards. In this connection, the conditions under which support may be subject to conditionality must be made mandatory and transparent. This is vital especially when dealing with patronage systems and essential for the credibility of the international actors. Even though it is understandable for the international community to rely on trust funds, especially during the initial phase, a road map should be devised at a very early stage and communicated transparently, showing how the trust funds can be transferred gradually to local control so that, step by step, the governments concerned and local implementing organisations take more responsibility for administering the money provided for reconstruction measures. This sends out the message to societies dominated by CCP and their various interest groups that the international tutelage of trust funds and off-budgeting practices is intended to be temporary, while it would certainly be desirable for local actors to take ownership of their own affairs and this is indeed envisaged. In certain circumstances, funding conditionality can be an important instrument that allows support to be suspended or cancelled if there is repeated abuse. What is central is that the establishment of trust funds goes hand in hand with the creation of highly effective monitoring and evaluation systems, while the trust funds should be subject to strict conditionality (with their funding being frozen if necessary).

3. Recommendations concerning the operational/strategic level

- 3.1. **Guidance:** The implementing organisations/Bundeswehr should receive clear guidance for each specific international crisis management operation when it commences. This guidance should be coordinated by the federal ministries and operationalise the German Federal Government’s strategic objectives with regard to CCP. The guidance is to be amended as the operation continues, depending on the dynamics that develop both in the context of the operation and in the interplay between the international partners and donors. Reviews should be carried out to ascertain how well it accords with the circumstances and what impacts it has. This is certainly to be done at regular intervals, if not on an ad hoc basis.
- 3.2. **Deployment of funds:** The deployment of funds must not be determined by what is desirable, but by what is feasible. It is therefore to be reviewed critically how much capacity to absorb funding the state and society of the crisis country possess. In addition, it is to be weighed up at the national and international levels what is actually feasible, in other words what possible fiscal and human resources Germany and its partner states and organisations are prepared to invest bilaterally and multilaterally in the specific case.
- 3.3. **Incentive structures:** The implementing organisations should review whether their handling of CCP is putting in place the right incentive structures. Proactive approaches that address and investigate CCP should be rewarded. This is crucial for the establishment of a learning culture in German institutions, agencies and implementing organisations, something that is urgently necessary.
- 3.4. **Resource inefficiency:** The deployment of resources in a crisis management situation should be reviewed and calculated better when operations are planned and implemented. This will also involve cooperation and consultation with other implementing organisations in order to generate synergies. Above all, resource inefficiency is to be reviewed where subcontracts are being awarded, inflated prices are being paid and funds are flowing back to Germany.
- 3.5. **Handling of “petty corruption”:** The handling of “petty corruption” is influenced by the informal assumptions made in every implementing organisation, which these organisations often treat as a taboo subject. A culture of transparency about this issue is needed in the implementing organisations, which should go beyond normative statements (“zero-tolerance policy”) and talk frankly about what forms of CCP occur under what conditions and how entry points are to be tackled. What is also important is the open handling of context-specific adjustments (e.g. permission for the private use of work vehicles; equalisation of salary differentials), which have to be documented transparently. This would give country coordinators and project managers greater certainty about how to deal with CCP on a daily basis.
- 3.6. **Systematic integration of conflict sensitivity into risk assessments/compliance:** Not only is it absolutely vital to understand the conflict context in which an engagement takes place, but risk assessment should also be used as an instrument that furthers the actors’ comprehension of the interactions between sectoral and programme interventions and the broader local context. Conflict sensitivity should be integrated into risk assessments and compliance systems, allowing the identification of organisational risks that arise from specific external dynamics and/or project activities. This opens up options for action to deal with certain dilemmas and conflicting objectives, which can help to prevent or minimise negative impacts because such assessments are focussed on CCP as a driver of conflicts. A risk assessment that includes conflict-sensitive elements is a good point of departure for conflict integration and allows a more thorough, more efficient process to be implemented when conflict analyses are conducted and programme activities adjusted to take account of a specific context.⁷

⁷ Risk assessments are used in security management and compliance approaches, and focus on the threats to an organisation, including its personnel, assets, reputation and partners. By contrast, conflict sensitivity analyses focus on identifying and mitigating the risks of programme participants or wider communities being harmed by programme interventions, and identifying possible ways to minimise these risks and promote positive outcomes and/or a “deeper” peace (cf. USAID, 2023).

4. Recommendations concerning the eradication of CCP in line with a transformative approach

Combating CCP takes on a central role in transformation processes. Over the long term CCP undermines the rule of law, hollows out democratic structures and reform efforts, and exacerbates inequalities and conflicts.⁸ This is why combatting CCP has to be anchored systemically as a horizontal issue in international operations that are seeking to sustainably overcome crisis situations, so that CCP is eradicated over the long term by establishing new ground rules. What is needed is a holistic, long-term approach that is framed normatively, and is to be operationalised context-specifically and conflict-sensitively by taking concrete measures in the multilevel systems characteristic of crisis management operations (from the policy/strategy level to the operational/tactical level). Countermeasures against CCP must be core components in the operationalisation of every crisis management intervention. Our practical recommendations concerning these issues are organised below according to the three relevant groups for which they are intended – Germany’s federal ministries (measures concerning interministerial and ministry-specific measures), the implementing organisations and the German Federal Government (recommendations concerning the international level):

4.1. Ministries

4.1.1. **The early integration of anti-CCP measures into an international civil and military engagement** is of decisive significance if its effectiveness and integrity are to be guaranteed. The experience of Afghanistan, where anti-CCP efforts started almost ten years too late in all sectors, shows how important it is to act early, coherently and consistently. The specification of clear anti-CCP strategies, guidelines and procedures before projects begin reduces the risk of CCP considerably. With this in mind, the ministries should give prominence to combating CCP as a horizontal issue when operationalising their own ministry-specific strategies, and back up the action they take with concrete indicators that are reviewed through regular impact monitoring and serve as the point of departure for any adjustments to these strategies that may be necessary.

4.1.2. **Promoting a culture of integrity and responsibility:** A culture of integrity and accountability should be promoted within all the ministries involved in German crisis management operations, their implementing organisations, the agencies under their jurisdiction, and their partner organisations by setting targeted incentives. This involves running training courses and capacity building initiatives that concentrate on ethical conduct, transparency and the significance of anti-CCP measures. The actors should not shy away from integrating traditional and religious norms into their activities because the most successful anti-corruption initiatives are context-sensitive and culturally embedded. Encouragement to report misconduct and protection for informants can also be instrumental in helping to uncover and combat CCP. The establishment of corresponding complaints-handling institutions, which guarantee reports are followed up independently and whistleblowers are protected, is an important, essential step that will complement this recommendation at the strategic level.

4.1.3. **Guaranteeing appropriate legal and institutional parameters:** The creation and strengthening of legal and institutional parameters for anti-CCP activities should also be supported at the operational/tactical level. The responsibility for landmark operational/strategic decisions is to be located in the BMZ and, where appropriate, the Federal Ministry of Justice. They should work through the implementing organisations they oversee directly and interministerial implementing organisations (e.g. GIZ) to set up support programmes that draw up and enforce anti-corruption laws, establish specialised anti-corruption agencies, and supervise the equipment of these institutions with the resources and powers they need to function effectively. It was possible for corruption to be curbed more effectively in Bosnia and Herzegovina than in Afghanistan thanks to the early creation of a framework along these lines in the post-war period. What is required is the consistent prosecution of corruption suspects, which should not just target citizens of the recipient country, but international actors as well. Corruption cases abroad should also be prosecuted consistently in Germany. The legal parameters for this to be done (Section 11a Code of Criminal Procedure (StPO)) have already been put in place. The legislature must, however, be fully cognizant that humanitarian, development-related and peacekeeping measures in crisis countries have been proven to involve particularly high risks

⁸ This insight has been summed up as follows “Corruption may act as a permissive condition, a root cause, a proximate cause, a driver of conflict or all of these” (Bak, 2019). In any event, its implications for future ICM operations are to be addressed urgently as a central concern.

of corruption. The legislature should therefore tighten up the rules that stipulate what level of “petty corruption” is still viewed as tolerable and when offences should be prosecuted.

- 4.1.4 **Develop robust monitoring and evaluation systems:** As an engagement continues, it is crucial to implement robust monitoring and evaluation systems specific to each ministry in order to keep track of financial outgoings and the progress made in different sectors. Cooperation with civil society and local authorities is important if they are to assume some degree of ownership over anti-corruption measures. It should be ensured that monitoring and evaluation systems are comparable and can be merged at any time, which is essential if the impacts of the overall strategy are to be monitored. These systems should provide real-time data and regular feedback loops so that CCP is identified and combated at an early stage. Independent audits and evaluations should be conducted regularly to ensure compliance with anti-CCP measures. The proactive approach taken during the reconstruction efforts in Liberia with strong monitoring mechanisms from the very beginning may serve as a positive example.
- 4.1.5 **On-budget financing and trust funds: extrabudgetary mechanisms and trust funds** may have curbed “grand corruption” to a certain extent in both Afghanistan and Mali, but also weakened the recipient states, depriving them of their accountability. A multilevel strategy is required to trial on-budget financing in specific state-controlled sectors and strengthen the state’s capacities and accountability.

4.2. Implementing organisations

- 4.2.1. **Conduct comprehensive risk assessments:** Before any ministry’s operation component begins, the implementing organisations should conduct thoroughgoing risk assessments to identify potential CCP risks – on the basis of political/economic analyses tailored to the local context. These assessments should inform the planning and delivery of projects, ensuring that anti-CCP measures are customised to take account of specific risks. The risk assessment should be part of the standard peace and conflict analysis (PCA), subject to regular review and adjusted as necessary in response to changed realities. Documenting these deliberation processes and taking active, conscious decisions is an important foundation for intentional action and organisational learning.
- 4.2.2. **Monitoring and adjustment of anti-CCP strategies:** In crisis contexts, the anti-CCP strategies pursued by Germany’s implementing organisations and partners should be reviewed and adjusted continuously so they do justice to new challenges and changing parameters. The regular review and updating of anti-CCP strategies and practices will ensure they remain relevant to individual programmes and project cycles throughout the engagement and thus effective at preventing and combating CCP.
- 4.2.3. **Institutional capacity building:** It is important to start building local (partner) institutions’ capacities to carry out effective anti-CCP activities at an early stage and design them context and conflict-sensitively. It is of decisive significance to strengthen the justice authorities, prosecuting agencies and oversight mechanisms, so ensuring these institutions have the requisite resources and powers at their disposal to deliver anti-CCP measures. At the same time investments should be made in the building and networking of resilient civil society organisations that can act as watchdogs flagging up CCP. In this respect, it is important to cooperate not only with modern civil society structures, but also with traditional and religious structures, and network them together.
- 4.2.4. **Avoid raising unrealistic expectations:** When interacting with institutional partners in crisis contexts, donors, ministries and, in particular, implementing organisations should avoid raising unrealistic expectations with incentives and programmes. For example, such expectations may be created by what are known as train-and-equip measures that include dominant equipment assistance components. The cost-intensive provision of infrastructure (above all buildings) and equipment (from security technology, furniture, office equipment and PCs to uniforms and forensic kits) offers incentives for misappropriation, theft and inadequate maintenance and care, and undermines the recipient partners’ ownership and/or responsibility. The focus on technical/tactical support should be complemented with policy/strategy approaches so it is also possible to exert political influence by making equipment assistance conditional, for example when building organisational structures in partner institutions.
- 4.2.5. **Less material and monetary support often gets more done:** Particularly for donors and ministries, equipment assistance was a “rewarding” mechanism in Afghanistan and Mali that allowed them to call attention to activities and measures on the ground with statistics and

publicise successes/positive reports, mainly relating to quantitative outputs rather than qualitative outcomes. The volume of funds disbursed must not be a criterion for the success of crisis management operations during future engagements; instead, the degree to which the anticipated outcomes are achieved should serve as an indicator of success.

- 4.2.6. **Customise strategies for local contexts:** Anti-CCP strategies should be developed context-specifically, making allowances for local power dynamics, social values and norms, and conflict dynamics (e.g. distribution conflicts). Adjusting approaches to take account of the unique conditions found in each locality or region (incl. cultural and religious characteristics) ensures the efforts made to combat CCP will be relevant and effective. Ideally, these strategies will be drawn up in close dialogue (consultation) with local actors who represent the affected population.
- 4.2.7. **Seek changes in social behaviour:** The delivery of broadscale campaigns and participative measures is aimed at changing social behaviour and norms, and curbing corrupt practices. This can be boosted by highlighting honest conduct and promoting a culture of integrity in interactions with local actors and close consultation with them about purposeful, culturally responsive measures. Here, traditional and religious institutions and value concepts that enjoy a high degree of legitimacy in the recipient society should also be integrated into anti-CCP activities at an early stage. Furthermore, the promotion of political education and development of appropriate curriculums for primary and secondary schools play central roles because schools are usually places where changes of consciousness and ethical conduct in society can be stimulated.
- 4.2.8. **Transparency and accountability:** Transparency should be enhanced and accountability mechanisms strengthened to deter CCP. If information is made available to the public and it is ensured that corrupt actions attract appropriate consequences, CCP can be curbed significantly by means of increased oversight and public control. External actors are able to do this successfully, especially with support from the typical media popular in the recipient country, systematic encouragement for journalists, steps to raise their awareness and continuing professional development courses on conflict-sensitive journalism.
- 4.2.9. **Create incentives for ethical conduct:** Performance-related rewards and the promotion of a culture of incorruptibility can inspire ethical conduct in organisations and institutions, above all if interventions are adapted to specific cultural and religious contexts. Publicly recognising and rewarding integrity can motivate individuals to observe ethical standards and reduce cases of corruption.
- 4.2.10. **Involving partners:** The promotion of cooperation between donors, state institutions and civil society organisations is of decisive significance. CCP can be combated and the implementation of projects improved by establishing channels for regular communication and joint working groups. Workshops and training courses designed to build local auditing and control capacities should also be promoted.
- 4.2.11. **Empowering citizens in ICM contexts:** It is necessary to educate citizens and raise their awareness so they can identify, and defend themselves against, CCP practices. Initiatives supported by the community and participative governance models can enhance accountability, bolster the individual and create a more transparent, more corruption-resistant society.

4.3. German Federal Government and international networks

- 4.3.1. **Facilitation of donor coordination and cooperation:** Coordination and cooperation should be encouraged between international donors in order to ensure consistent approaches are taken to combatting CCP. Common standards, joint initiatives, a register of donors detailing the financial contributions they have made and pooled resources can increase the effectiveness of anti-CCP measures and reduce the duplication of efforts. In Afghanistan, the lack of coordination between donors was a factor in fragmented, inefficient anti-CCP measures. We are, of course, fully aware that it will be a major challenge to forge an international consensus expressed in joint commitments. Nevertheless, it should not be underestimated that the attention paid to CCP in international institutions (e.g. UN, World Bank), many state structures, civil society and academia has reached an unprecedented level in the last few years thanks to the increasingly powerful evidence that has come to light. The German Federal Government could make itself a driving force in the efforts to combat CCP and lead an alliance with like-minded states (e.g. the Nordic countries).

- 4.3.2. **Commit to long-term engagements:** Combating CCP in conflict-affected territories is a long-term endeavour that demands sustained efforts on the part of both local and international actors. Ongoing support and constant engagement will be decisive if anti-CCP practices are to be changed permanently. In addition, the actors involved in an international crisis management operation should reach agreement on the measures to be taken and affirm their commitments.
- 4.3.3. **Leveraging international support:** International crisis management operations should be used as leverage to promote anti-CCP measures. An engagement's linkage with clear anti-CCP standards and incentives, which is to be coordinated internationally, can motivate local actors to implement and comply with anti-CCP practices and so strengthen the overall effects of the support provided.