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The Afghanistan Reconstruction Group: An Experiment with Future Potential

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The Afghanistan Reconstruction Group (ARG) was created by the National Security Council in 2004 as a non-traditional approach to reconstruction. The ARG brought high-ranking former U.S. private-sector executives and government employees to serve in the embassy in Kabul. The intent was for the group to apply its private-sector experience and expertise in an advisory role to both the U.S. government and the Afghan government.

We have now begun to evaluate ARG successes and shortcomings as well as potential future uses of the concept. Given current U.S. advocacy of market economy, citizen self-determination, and democracy, what should be the role for public-spirited, top-level private-sector experts in U.S. government stabilization and development operations?

To answer this question, the Institute held an off-the-record session of its Afghanistan Working Group on July 18, 2006. The goal of this meeting was to assess the ARG experience and to develop lessons learned from ARG veterans, former Afghan officials, and U.S. government representatives. This USIPeace Briefing highlights the central points made during the discussions and does not represent the views of the Institute, which does not advocate specific policies.

The ARG was highly qualified, motivated and energetic...

The ARG participants went to Afghanistan because they saw the importance of the conflict, and they wanted to make a difference. The majority of the group's members had little or no government experience, and they were not given assistance funding. They were committed, intelligent, private-sector savvy, and results-oriented. They had been successful in highly competitive areas of the U.S. economy and sought to deploy strategic planning skills to work from the desired end-state--a market economy in Afghanistan--back to the present to develop sectoral and inter-sectoral plans.

The ARG engaged successfully on many fronts: re-structuring of key ministries (health, transportation, and agriculture), strengthening border security, improving revenue collection,



Afghan kids give a "thumbs-up" to U.S. travelers along the road to Jalalabad,

building up the banking sector, and developing a national communication strategy. The ARG also helped conduct a national survey of natural resources that discovered much greater potential than had been thought to exist, and helped draft a regional energy strategy to help the nations of the region with energy supply and demand.

Afghanistan. (Photo Courtesy: [Department of Defense: ARG Gallery](#))

...adding value through ideas and market skills...

ARG value-added came both from its generation of ideas as well as its market-oriented skill-set. With the freedom to think beyond the confines of established programs and missions, ARG experts were able to innovate and imagine novel solutions.

The group also brought an entrepreneurial and economic skill-set needed for the creation of a market economy. This was particularly useful to the Afghan government, which lacked counterparts to help think through the process of constructing the governmental initiatives needed for a free market. The ARG's contribution in their private-sector oriented planning and execution techniques was unique. Previous international efforts to develop market economies in the aftermath of conflict did not have the benefit of this kind of assistance.

ARG members were most effective as senior advisers to Afghan ministers, who appreciated the skills they brought to brainstorming on economic problems, on the re-organization of their ministries, and on the integration of agency actions and programs strategy. They were less effective as monitors or managers of projects, tasks that put them in competition with others in the embassy. Big picture strategy, rather than tactical implementation of plans, was their strong suit.

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ARG success depended heavily on support from the ambassador and collaboration with USAID and other U.S. embassy personnel. The private-sector experts were not accepted easily or comfortably into the embassy structure. Lack of clarity about ARG's mandate and role were problems. While former U.S. Afghan Ambassador Khalilzad and at least one AID country director used the ARG to good advantage, the role of the ARG was not accepted or effectively institutionalized by others. Subsequent changes to the organization, continuing friction, and a diminished role for the ARG led to difficulties in recruitment. With a more clearly defined mission, the ARG could have played a stronger role in advising the Afghan president and cabinet.

U.S. government assistance programs, with the notable exception of advisors provided by the treasury department and a few other domestic government agencies, depend heavily on private sector contractors who recruit large numbers of experts. Afghan ministries and government officials judged many of these contractor-provided experts less than fully qualified. They preferred the relatively small numbers of highly qualified experts provided by the ARG and Treasury.

The U.S. state department recognizes that large-scale post-war reconstruction operations will require structures beyond those normally found in embassies. The ARG was one of these, but not the only model available.

Enlisting the private sector should be a vital part of USG reconstruction operations.

High-quality private-sector assistance in developing a market economy should be viewed as an essential element of post-conflict reconstruction. Stability in post-war situations requires an economy that grows rapidly and provides transparent avenues of upward social mobility for the disadvantaged groups within the population, who may otherwise become disillusioned



and resentful. The reconstruction community should think of the market as a vital avenue for peace.

To be successful in the future, efforts like the ARG will need to have the whole-hearted support of the ambassador. Recruiting high-quality, private-sector experts is particularly difficult and will require a major effort. A standby reserve of private sector advisers would be one approach to ensuring their availability when needed.

Future private-sector reconstruction teams of this sort should have a more clearly defined role and relationship both to U.S. government programs and the host government. Moreover, a different type of culture should be encouraged, especially where interagency efforts are required for U.S. services. A culture that values mission orientation, openness to new ideas, and appreciation for niche talents would be ideal for future teams.

One possibility would be to make senior private-sector experts the coordinators and leaders of embassy efforts in particular sectors. Another would be to remove them from embassy roles and, to the extent possible, put them side by side with the local, national officials whom they advise. In either case, it is vital that the U.S. government as a whole see that private-sector experts can add value other government programs, with which they should seek a synergistic relationship.



Local Afghans observe the construction of the Kabul-Kandahar highway, the country's principal road system. The highway reconstruction, funded by USAID, is key to Afghanistan's economic recovery. (Photo Courtesy: [USAID](#))

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