



Islamic Republic of Afghanistan
Ministry of Rural Rehabilitation
and Development



National Solidarity
Programme



Post-war
Reconstruction
& Development
Unit (PRDU)

THE UNIVERSITY *of* York



Mid-term Evaluation Report of the National Solidarity Programme (NSP), Afghanistan

May 2006

Evaluation Team Leader
Professor Sultan Barakat



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NSP AFGHANISTAN
Mid-term EVALUATION REPORT

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List of Abbreviations

AKDN	Aga Khan Development Network	MISFA	Micro Finance Investment Support Facility of Afghanistan
ARTF	Afghanistan Reconstruction Trust Fund	M&E	Monitoring and Evaluation
BRAC	Bangladesh Rural Action Committee	MRRD	Ministry for Rehabilitation and Rural Development
CBD	Community Based Development	MoU	Memorandum of Understanding
CDC(s)	Community Development Council(s)	NABDP	National Area Based Development Programme
CDD	Community Driven Development	NEEP	National Emergency Employment Programme
CDP	Community Development Plan	NGO	Non-Governmental Organization
CDSO	Community Development Support Officers	NSP	National Solidarity Programme
CIDA	Canadian International Development Agency	OC	Oversight Consultant
CHA	Coordination of Humanitarian Assistance	OECD	Organization for Economic Cooperation and Development
DAB	Da Afghanistan Bank	OM	Operational Manual
DAI	Development Alternatives Incorporated	PCU	Public Communication Unit
DFID	Department For International Development	PO	Provincial Office
DRRD	Department for Rural Rehabilitation and Development	PRT(s)	Provincial Reconstruction Team(s)
EU	European Union	PRDU	Post-war Reconstruction and Development Unit, University of York
FHH	Female Headed Households	PSG	Professional Skills for Government
FP(s)	Facilitating Partner(s)	RAT(s)	Regional Assessment Team(s)
GRSP	Ghanzi Rural Support Programme	RuWATSAN	Rural Water Supply and Sanitation Programme
GTZ/IS	Deutsche Gesellschaft für Technische Zusammenarbeit/ International Services	SDF	Sanayee Development Foundation
IDA	International Development Association	SO	Social Organizer
IDP	Internally Displaced Person	UNAMIR	United Nations Assistance Mission for Rwanda
JICA	Japan International Cooperation Agency	UNHCR	United Nations High Commission for Refugees
MHP	Micro Hydro Power	UNICEF	United Nations International Children's Emergency Fund
MIS	Management Information System	USAID	US Agency for International Development
		WB	World Bank

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Preface

Twenty-five years of conflict has left Afghanistan with a profound need for extensive intervention to address reconstruction and development requirements, particularly in rural areas, many of which were never reached by consecutive governmental developmental plans. In 2002, the transitional administration of the country recognized that the legitimacy of the new government by the rural population depended in no small measure on its ability to deliver long-awaited assistance to rural communities across the country, and the idea for the National Solidarity Programme was born. The Programme was designed and initiated in 2003 under the Ministry of Rural Rehabilitation and Development (MRRD), and was financed by a consortium of international donors coordinated by the World Bank.

The Programme attempts to target the needs of rural communities by employing community-driven development, delivered through a collaborative partnership, encompassing central government, local and international non-governmental organisations (NGOs), and the communities – represented by specially devised Community Development Councils (CDCs). Today, the NSP forms the central component of an architecture of national programmes managed by the MRRD, designed both to help the Afghan people to rebuild their lives and nation, and to demonstrate that the Afghan government, with technical assistance, could develop the inclusive governance structures required to sustain a stable state.¹

As described in the founding document of the NSP, the goal of the Programme is to reduce poverty through empowering communities with regard to improved governance, and social, human, and economic capital. It attempts to achieve this goal through pursuing two main objectives: (1) to lay the foundations for a strengthening of community-level governance, and (2) to support community-managed sub-projects comprising reconstruction and development that improve the access of rural com-

munities to social and productive infrastructure and services.

The implementation strategy of the NSP consists of four core elements: (1) facilitation at the community level to assist communities to establish inclusive community institutions (CDCs) through elections, reaching consensus on priorities and corresponding sub-project activities, developing eligible sub-proposals that comply with NSP appraisal criteria, and implementing approved sub-projects; (2) a system of direct Block Grant transfers to support rehabilitation and development activities (sub-projects) planned and implemented by the elected CDCs; (3) a series of capacity-building activities to enhance the competence of members of CDCs (both men and women) in terms of financial management, procurement, technical skills, and transparency; and (4) activities linking local institutions to government administration and aid agencies with available services and resources.

The MRRD recognizes that the quality of the implementation process of the NSP is essential for the long-term sustainability of community investments and for the overall success of the Programme. As such, at the community level the identification of priorities and the planning of sub-projects are based on the basic principles of participatory planning through: inclusive community meetings and representative elected development councils; community contributions to capital costs and operation and maintenance; and project transparency and accountability to the community. In order to help the MRRD achieve its targets, an Oversight Consultant (GTZ/IS) was contracted to oversee the overall management and supervision of the NSP. In addition, the MRRD has contracted 22 NGOs (both national and international) and UN-HABITAT to facilitate the delivery of the NSP in selected districts, across all the provinces of Afghanistan. These non-governmental organizations are termed Facilitating Partners (FPs), and their role is to facilitate community participation in the planning,

¹ The other 4 programmes include: NEEP – the National Emergency Employment Programme, aimed at assisting the most vulnerable with employment opportunities in public infrastructure; WATSAN – the Rural Water and Sanitation Programme, aimed at improving health, hygiene and improving the child mortality rate; MISFA – the Micro-Finance Investment Support Facility of Afghanistan, aimed at improving the lives of the poor and vulnerable through the provision of micro credit; and NABDP – the National Area Based Development Programme, aimed at developing the capacity of national, provincial, and local authorities to enable them to plan, finance, and manage recovery and development interventions.

implementation and management of sub-projects financed by the NSP Block Grants.

While the NSP-Oversight Consultant (OC) has been unable to meet the targets for December 2004 to August 2006 established in its contract with the MRRD, its progress has nonetheless been remarkable since it started in September 2003. Moreover, the importance of the NSP is reflected by its overt achievements to date. Its reach encompasses 193 districts in all 34 provinces, and has benefited 10.5 million Afghans. More specifically, it has engaged with 22,500 rural communities covering 38,000 rural settlements, which has so far resulted in the election of more than 10,000 CDCs. From this, 14,000 projects in 8,000 communities have been financed, with Block Grant disbursements amounting to US \$166.1 million and total Block Grant commitments of US \$214.6 million. Overall, more than 4,000 sub-projects have been completed successfully.² In addition, this evaluation identifies significant evidence of: (1) increased public faith in the system of government; (2) improved community relations; (3) improved state-civil society relations; and (4) the empowerment of CDCs.

In November 2005, the Post-war Reconstruction and Development Unit (PRDU) at the University of York, U.K., led by Professor Sultan Barakat, was contracted by the MRRD to undertake a mid-term evaluation of the NSP over a period of 6 months. The central aim of the evaluation was to examine the achievements and drawbacks of the Programme two years into its implementation. The midway point for the NSP was seen as an opportune moment to reflect on what has been achieved and to make recommendations for improving the post mid-term evaluation phase (Phase 2) of the Programme. The PRDU was asked to report its findings in relation to the efficiency and effectiveness of the implementation of the NSP as well as its potential impact, rationale and longer-term contribution to governance and development in Afghanistan. The team was also asked to provide recommendations with regard to: the approach and institutional arrangements to improve the delivery and impact of the Programme; and the long-term strategy for the integration of relevant programme functions into the institutional profile of the MRRD. Accordingly, this evaluation report considers not only the physical outputs and other more tangible programme benefits,

but also goes further by investigating evidence for qualitative sustainable impacts on the core objectives of the Programme, namely, local governance and poverty reduction.³

Any evaluation of reconstruction efforts in war-torn countries inevitably suffers from the same constraints as the efforts themselves: inadequate time and resources, the inaccessibility of key sites, incomplete information and a tight work schedule. With this being a mid-term evaluation, there is the added complication of examining a programme that is very much on 'the move': millions of dollars are being disbursed as we evaluate, and policy adjustments are being made; a new version of the *Operational Manual* has now been completed; and plans and pledges have been made for Phase 2. By way of illustration, it is noteworthy that several of our recommendations in our November *Inception Report* have already been implemented – testimony to the reflexivity of the OC to issues of programme enhancement. In our *Inception Report* we originally defined the cut-off point of the period of evaluation (in terms of data and reports consulted) as the end of July 2005. We have subsequently amended the period of evaluation to the end of March 2006 to include commentary on some notable developments in programme management and enhancement.

In addressing these challenges to the nature of our assessment of the Programme, the PRDU employed a composite and participatory evaluation approach. A range of investigation methods were used based on the nature of the data available and the questions posed.⁴ While informed by best practice theory located within specialized academic literature, this evaluation is grounded in qualitative empirical data drawn from: extensive national and sub-national level interviews, and a series of exploration and validation workshops held with the groups of NSP stakeholders. Within each of the 11 provinces researched, the research teams interfaced with the main NSP actors and their respective levels of authority (provincial governor, provincial and district level RRD, OC and FP).⁵ The scope was then extended to strategically sampled communities and districts within these provinces. Both community power and household surveys were employed to capture a gender-balanced perspective of the NSP from the viewpoint of its chief beneficiaries. The interviews and surveys also

² See NSP OC (2006), *Analysis of the Experiences and Lessons Learned in Program Implementation*, GTZ-IS, Kabul, March 2006, pp. 3–5.

³ See Annex B, 'Terms of Reference'.

⁴ See Annex A2, 'Methodology'.

⁵ See Annex C, 'Stakeholders Consulted'.

contained an engineering-based assessment, which provided a technical understanding of the physical outputs. Throughout these integrating levels of inquiry, documentary and multi-level institutional analyses proved essential. In the absence of base-line time series data, a pragmatic inclusive approach to evaluating programme costs and benefits was deployed to provide an assessment of the overall impact, efficiency and effectiveness of the NSP. The field data was then studied in York during three main stages of analyses.

The PRDU brings to this task 13 years of diverse experience in linking theory to practice in post-conflict reconstruction and development in over 15 countries. This includes expertise both in Afghanistan, and in community rehabilitation and rural development. As the team leader, I have had the gratification of working with an extremely competent team. At the national and strategic level, the insights of Professor Mark Evans (public institutions), Dr Arne Strand (community development), and Engineer Richard Brown (infrastructure projects) were central to the successful completion of this evaluation. The extensive field research at the sub-national level was equally crucial and was conducted by PRDU Research Fellows Dr Margaret Chard, Dr David Connolly, and Dr Richard Jones. In completing this field research they in turn were joined by an excellent team of Afghan researchers: Mr Waheed Omer, Mr Mirwais Wardak, Mr Khushal Akhtar, Mr Malaiz Daud, Mr Jawed Nader, Miss Marina Nawabi, Mr Samiullah Nazemi, Dr Lida Rahimi, Mr Qutabuddin Roydar, Dr Khalid Sharifi, Mrs Asila Wardak, and Mr Idrees Zaman.

Finally, I would like to express my utmost appreciation to all NSP stakeholders for the cooperation afforded to this evaluation at all levels. This has included the MRRD, donors, OC (national and provincial levels), provincial governors, provincial and district RRD staff, the Facilitating Partners (national, provincial and district levels), the NSP communities themselves, and even communities not benefiting from the NSP. All of these gave their time unreservedly. In particular, I am especially grateful to HE Hanif Atmar (Minister for RRD), Ehasan Zia (Deputy Minister for RRD), Raz Mohammad (Deputy Minister, Finance, for RRD), Asif Rahimi (NSP Chief Coordinator), Andreas Schild (OC Team Leader), and Jovita Thomas (OC Deputy Team Leader). I hope that the learning process captured in this document

can be used to safeguard and stimulate further policy development and best practice for the reconstruction of Afghanistan.

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3 May 2006



Executive Summary

Since the late 1990s donor support via the World Bank for community participation has shifted away from community-based development (CBD) with its emphasis on collaboration, consultation and information-sharing, towards community-driven development (CDD) which affords communities control over decision-making processes and resources in the design and implementation of sub-projects.¹ This evaluation argues that the Islamic Republic of Afghanistan's National Solidarity Programme (NSP) has the potential to become a beacon of good practice amongst CDD programmes.² Phase 1 of the NSP has undoubtedly been a success given the difficult environment in which it has operated. Indeed, only a small minority of our respondents questioned the success of the Programme. It is observed that:

- ◆ the establishment of the NSP was a rational and far-sighted response to the need for rapid signs of state building in the rural communities of Afghanistan;
- ◆ the achievements of the NSP, particularly in terms of building community and national solidarity through the establishment of Community Development Councils (CDCs) and CDD sub-projects, outweigh its initial design and operational weaknesses;
- ◆ given the extremely challenging environmental constraints that have bedevilled the implementation of the NSP, all stakeholders have a good reason to be proud of their achievements in Phase 1 – Government, provisional government, Oversight Consultant (OC), Facilitating Partners (FPs), communities and their CDCs; and,

- ◆ the benefits of the NSP justify the overhead costs of the Programme, particularly in years one and two of the Programme. Moreover, overhead costs should diminish dramatically as a consequence of: a) lesson-learning from Phase 1; b) the elimination of unnecessary bureaucracy through the simplification of delivery systems; and c) the provision of political support to remove bottlenecks in the delivery process.

However, we are also of the view that with some fundamental refinements – anchored in improved programme management and coordination at the national and provincial levels, the simplification of delivery systems and the consolidation of CDCs – the post-mid term evaluation of the NSP (or what we will term *NSP Phase 2*) could yield some outstanding developmental achievements in terms of both sustainable institution-building and economic growth.

We therefore recommend that the donor community should support the NSP for a medium- to long-term period of 10 years in order to consolidate its gains and fulfil its potential. During this period a new institutional venue will need to be established for the delivery of the NSP so that the MRRD can assume the role of the OC. We recommend the creation of an executive agency, a model of service delivery currently deployed in most Organization for Economic Cooperation and Development (OECD) member states, as the key features of an executive agency fit with the MRRD's immediate institutional and human resource needs.

It is also recommended that the NSP coord-

¹ See Independent Evaluation Group (2005), 'The Effectiveness of World Bank Support for Community-based and -driven Development', Washington, World Bank, available on-line at <http://www.worldbank.org/ieg/cbdcdd/>.

² Although it should be observed that CDD's are provided with significant technical support and it is often difficult to disentangle the views of Facilitating Partners from the views of communities. Hence the claim of perfect autonomy is questionable.

dination problems that have been experienced at all levels of governance in Phase 1 need to be dealt with in Phase 2, through more effective donor coordination and the establishment of a 'whole government' approach to the national coordination of the NSP as the pillar of a national rural development strategy. This would foster multi-level inter-ministerial cooperation and improve the opportunity for more proactive donor support through enhanced collaborative decision structures at the national level. In addition, the potential for sharing resources between the two main complementary national programmes implemented by MRRD – the NSP and the National Area Based Development Programme (NABDP) – should be fully realized. Our suggestion would be to pool some of the Oversight Consultant resources for the two programmes in a manner that ensures effective coordination and economies of scale, and maximizes impact in terms of economic growth and good governance at the provincial and village levels. This recommendation could be further articulated as part of the OC exit strategy that is currently being finalized.

The role of the FPs has been crucial in the social mobilization and capacity development of CDCs, and will need to continue for the short- to mid-term due to limited MRRD capacity at the district and community levels. The future role of the FPs rests on whether the NSP remains purely a development programme or whether the governance component of the programme assumes a greater role in NSP Phase 2. We would encourage the latter, in which CDCs are granted a constitutional role with statutory responsibilities at the village level. By implication this would involve the extension of the public administrative system from the district to the CDC level through the establishment of an elite of Community Development Support Officers (CDSOs). The role of the CDSO would be to assume the role of FPs and provide technical support to the CDC in all of its core competences. The establishment of this technocratic elite, with attractive conditions of service, is central to the long-term sustainability of CDCs and should be a key component of the NSP's consolidation strategy. This proposal will also require a long-term capacity development strategy which should be integrated with broader processes of civil service reform.

The programme design itself should also be further developed, with consideration given

to the strengthening of the CDCs, the sustainability of its impact and the long-term capacity development of the MRRD. In particular, further strategies need to be developed to enhance the participation of women, both in community governance and in project implementation, and the inclusion of the poorest of the poor and disadvantaged as beneficiaries.

Finally, NSP Phase 2 would also benefit from launching a longitudinal study of the programme in association with the University of Kabul and other international centres for the study of reconstruction and development, to ensure that lessons learnt are well documented and that archive material is utilized in the training and education of Afghanistan's future development cadre.

There follows an overview of the key findings of the mid-term evaluation and recommendations for Phase 2 which correspond to: programme design and rationale; national level programme management and coordination; sub-national level programme management and coordination; the role of CDCs in programme management and operational delivery; programme enhancement; and programme costs, expectations and impact. The evaluation draws on qualitative data derived from: extensive national and sub-national level interviews; two workshops held with all NSP stakeholders; a community power survey; a household survey; an engineering analysis; and documentary and multi-level institutional analysis. An inclusive approach to evaluating programme costs and benefits is deployed to provide an assessment of the overall impact, efficiency and effectiveness of the NSP.

The NSP is now recognized both by the people of Afghanistan and the international community as the central policy instrument for Afghan state building and development. The MRRD, the NSP OC and the FPs should be proud of their achievements. The following recommendations for NSP Phase 2 aim to build on and consolidate these impressive achievements. However, two notes of caution need to be addressed at this juncture. First, it is necessary to emphasize the importance of differentiating between short- and longer-term recommendations, particularly in relation to the MRRD assuming the operational delivery role at the national, provincial and district levels. This will need to be careful phased in, and rests on developing the capacity of MRRD

officials to act. Secondly, the consideration of these courses of action should take into consideration the costs of change, which should be calculated on: a) their capacity to improve qualitative rather than quantitative output, and b) the likelihood that they will survive for a considerable time.

Programme design and rationale

The evaluation of NSP programme costs and benefits reveals significant gains to the Afghan people in relation to institution-building (limited democratization), capacity development (mainly in skills development), and social solidarity at the national and community levels (and to a lesser degree at the provincial and district levels). Impressive benefits have also been derived economically by: creating livelihood opportunities and direct forms of economic development through improved productive capacity and the provision of work in relation to certain NSP projects; and the provision of indirect forms of economic development, facilitated by increased economic activity arising from improved infrastructure and savings derived from lower costs of production. Important gains in gender equality have also been achieved in certain regions.

These benefits justify the overhead costs of the Programme particularly in years 1 and 2 of the Programme. Moreover, overhead costs should diminish dramatically as a consequence of: a) lesson-learning from Phase 1; b) the elimination of unnecessary bureaucracy through the simplification of delivery systems; and c) the provision of political support to remove bottlenecks in the delivery process. However, these achievements will need to be consolidated in the ways suggested above in order to ensure the long-term future of what may be deemed a development programme of outstanding potential.

Design improvements in overview

Overall, Phase 1 of the NSP has undoubtedly been a success, given the difficult environment in which it has operated. Indeed, only a small minority of our respondents questioned the success of the Programme, given the extraordinary constraints under which it has operated. Nonetheless, several challenges can be identified in terms of policy formulation, implementation and monitoring and evaluation arising from problems in

the process of programme design and inception, which have created operational obstacles that need to be surmounted in Phase 2.

Recommendation 1

The political objectives of the NSP (e.g. the establishment of CDCs within the formal system of local governance) need to be expressed more overtly within the Programme objectives.

Recommendation 2

New 'simplified', 'realizable' and publicly 'knowable' programme objectives and a 'simplified' and 'realizable' set of performance indicators need to be drawn for NSP Phase 2 which express the governance, capacity development and economic growth objectives of the NSP more explicitly so that they can be measured over time.

Monitoring systems should be simplified to focus on developing time series data around a simplified set of performance indicators. A coherent and consistent representative sample of community profiles drawn to common criteria needs to be completed for comparative and evaluative purposes.

Recommendation 3

NSP Phase 2 should be a period of consolidation rather than expansion. The aim of rolling out the NSP to 6,800 communities in Year 3, despite the considerable backlog of Year 1 and 2 projects, is not tenable. There should be a greater focus on quality rather than quantity to allow for effective social mobilization and institution-building to take root, and for projects to be sustained through high quality community development planning. A twin track process of consolidation and expansion should be devised. A Phase 2 Consolidation Strand should be aimed at CDCs who have successfully completed sub projects. An action zone approach should be deployed where appropriate within this strand whereby CDCs sharing common CDP goals should be encouraged to engage in joint programming to meet community priorities and achieve economies of scale. The Phase 2 Expansion Strand should focus on the strategic roll-out of the NSP to ensure nation-wide coverage of the NSP, but with a bias towards integrating vulnerable communities.

Recommendation 4

NSP Phase 2 needs to embrace a 'whole government approach' both in order to gain greater political legitimacy in the eyes of political elites, and to coordinate national development planning and programming more effectively to gain economies of scale and to avoid waste and duplication.

Recommendation 5

An International Comparisons and Lessons Learnt Unit should be established in the MRRD to help support effective policy learning both in Phase 2 of the NSP and the Ministry's other major development programmes.

The Unit could start by working through the institutional memory of the OC. It should ideally be linked to an independent academic body, such as Kabul University, to ensure objectivity.

Recommendation 6

Phase 2 needs to place a greater emphasis on increasing the direct economic benefits of the NSP through both incentivizing CDCs and encouraging income-generating programmes to meet its economic growth strategy.

Recommendation 7

NSP Phase 2 requires more effective donor coordination. Donors should be aware of the consequences of action when they pick and choose where their NSP funding goes. An integrated approach should be adopted by the donor community, both to ensure that international funding helps to support national development priorities and to provide for better coverage.

National level programme management and delivery

This section of the report focusses on the management and coordination of the NSP at the centre of the Afghan political system focussing on the work of national level coordination committees, the MRRD and the NSP OC. The analysis draws mainly on qualitative data derived from extensive national-level interviews and two workshops held with NSP stakeholders, including representatives from: all the core ministries involved with the NSP; MRRD and NSP/OC staff; FPs and all the participating donors (Canadian International Development Agency, Department for International Development, European Union, US Agency for International Development, Japan International Cooperation Agency).

National Level Coordination

It is observed that the NSP suffers from poor coordination at three different levels: donor coordination; inter-ministerial coordination; and large-scale development projects. Poor donor and inter-ministerial coordination has clearly presented the NSP with some steering problems. While certain of these problems are self-inflicted (e.g. the inactive coordination committees and lack of strategic thinking across its key development programmes), others are the product of its success in bidding for external funding, such as petty inter-ministerial jealousy resulting in the deliberate engineering of bottle-necks in the delivery process (e.g. financial disbursement processes). These problems can only be dealt with effectively through the establishment of a 'whole government' approach to the management and delivery of Phase 2 of the NSP which will require the reform of existing decision structures.

Recommendation 8

A new institutional structure is recommended for the national level coordination of the NSP. The dysfunctional External Review Committee and the Inter-ministerial Committee should be replaced with three new committees – an NSP Steering Committee, a donor Support Group and an Inter-ministerial Committee.

The NSP Steering Committee should meet every two months, it should be chaired by the Ministry with oversight of local governance matters, and be comprised of the NSP

Coordinator, the first and deputy Minister of the MRRD, the OC, the NSP Coordinator, representatives from partnering ministries, five CDC representatives from NSP regions, and a representative of the facilitating partners.

The donor Support Group should meet quarterly; it should be chaired by a presidential nominee, and be comprised of all the donor stakeholders, the First and Deputy Minister of the MRRD, and the NSP Coordinator. In addition to ensuring donor accountability, the role of the group will be to convene 'action-oriented' meetings with minutes in order to support the work of the NSP more effectively.

The Inter-ministerial Committee should meet quarterly and be chaired by a presidential nominee and include representation from all partnering ministries. Its key role will be to identify areas of duplication and waste, potential areas of joint working, and NSP input into ministerial development plans and vice versa. Day to day management of the NSP would remain with the NSP/OC.

This institutional design would provide the architecture for a 'whole government' approach to the national coordination of the NSP, foster greater inter-ministerial and presidential collaboration, and provide for more proactive donor support. A 'whole government' approach should be integrated at all levels of programme delivery in appropriate areas of programming.

Recommendation 9

We also recommend that the MRRD develops a strategic plan to integrate the NSP with other national programmes such as: the Water and Sanitation Programme (WATSAN); emergency employment (NEEPRA), mostly for labour-intensive road building; the Microfinance Programme (MISFA); the Emergency Response Programme (in Badghis, Bamyan, Herat, Kabul, Kundoz, Nangarhar, Paktia, and Paktika), and, in particular, NABDP. It is crucial to adopt a strategic approach to large-scale development programming to ensure that a joined-up approach is taken that avoids duplication and waste, and meets broader national development goals.

³ See NSP OC (2006), *Analysis of the Experiences and Lessons Learned in Program Implementation*, GTZ-IS, Kabul, March 2006, pp. 3–5.

Recommendation 10

We recommend the establishment of: a rational NSP Phase 2 Operational Manual with a coherent set of programme objectives which can be measured over time, and a simple set of key performance indicators for monitoring progress in relation to the achievement of these objectives.

The Role of the NSP Oversight Consultant in programme management and coordination

The evaluation of the role of the Oversight Consultant in NSP programme management rests on an assessment of its ability to deliver on its core responsibilities. While the NSP-OC has been unable to meet the targets set for December 2004 to August 2006, established in its contract with the MRRD, its achievements have nonetheless been remarkable. Since its involvement in September 2003:

- ◆ the NSP has encompassed 193 districts in all 34 provinces in Afghanistan;
- ◆ the NSP has reached 22,500 rural communities covering 38,000 rural settlements;
- ◆ the NSP has benefited 10.5 million people and established 10,000 CDCs;
- ◆ 14,000 projects in 8,000 communities have been financed with Block Grant disbursements amounting to US \$166.1 million and total Block Grant commitments of US \$214.6 million;
- ◆ more than 4,000 sub-projects have been completed successfully.³

In addition, this survey identifies significant evidence of:

- ◆ increased public faith in the system of government;
- ◆ improved community relations;
- ◆ improved state-civil society relations; and
- ◆ the empowerment of CDCs.

In addition, the OC has provided informal 'on the job' training, with an estimated total of 50,000 person training days for MRRD (central, regional and provincial), OC and FP staff and formal training with approximately 9,000 person days for the same target groups. Information and awareness campaigns are provided by the Public Communications Unit (PCU) to underpin the training activities.

It is therefore unsurprising that the overall performance of the OC was evaluated as 'highly satisfactory' by the World Bank Supervisory Mission of October/November 2006. This evaluation concurs with the general tenor of this assessment. It identifies four major obstacles to effective delivery. First, the targets for 2004–6 were not developed with a rational understanding of how much time community mobilization and sub-project implementation takes. Secondly, several bottle-necks emerged in the process of programme implementation, which have undermined the ability of the OC to meet targets. Prolonged delays occurred in: the procurement process for securing critical goods; the disbursement process due to the absence of Block Grant funds, and the inefficient transfer of funds from Da Afghanistan Bank to CDC bank accounts. Thirdly, long delays have also occurred in the approval of extension contracts for existing FPs and the contracting of additional FPs. Fourthly, it is also evident from our survey that there has been very little 'political' help forthcoming from the MRRD or the donor community to help the NSP/OC deal with these bottle-necks in the disbursement process.

However, our evaluation does identify some shortcomings in relation to the OC's role in capacity development and programme management and enhancement which are largely explained by the need to negotiate significant programme constraints. Indeed, it is argued that from the outset it was impossible for the OC to adopt a 'rational' approach to programme management for *at least* 3 main reasons: the obligation to deliver on output-driven objectives has meant that they had to hit the ground running to establish the delivery system for the rapid creation of CDCs and the disbursement of Block Grants; the absence of clear programme objectives has meant that they have always been engaged in institutional 'catch-up' in relation to new priority settings identified by the MRRD and donors; and the lack of a settled understanding of the role of the OC by the MRRD and the donors has meant that they have had to shift human and institutional resources to support non-core NSP activities in response to changing political expectations (e.g. the Management Information System).

Hence, the OC was not provided with the time to initiate a phasing-in strategy during which: a) a rational *Operational Manual* could be finalized with clear programme

objectives; b) consistent performance indicators could be identified and effective monitoring systems established; c) coherent and consistent community profiles completed; d) a capacity development strategy for MRRD staff could be developed; e) a human resource management strategy could be devised for NSP OC staff; f) a rational NSP/OC exit strategy devised; and g) a logical framework for implementation completed.

All of these areas of 'rational' programme management are now being attended to, but this does mean that much of the institution-building and the capacity development work that needed to be completed to allow for a hand-over to the MRRD in July 2006 is in the process of completion.

Recommendation 11

While we recognize that excellent work is being conducted in these areas, the OC needs to complete its work at the strategic level with regard to the completion of its: human resources strategy; change management strategy; logical framework to guide programme management around the achievement of milestones; needs assessment for MRRD staff; capacity development strategy with linkages into the broader process of civil service reform in Afghanistan; a quality assurance strategy to ensure sustainable programming; and a final NSP/OC exit strategy.

The central institutional venue for operational delivery

There is currently significant debate within the MRRD and the NSP/OC over the most suitable institutional venue for the delivery of the NSP in Phase 2 once the MRRD has taken over the management of the Programme. Three options have been debated: full integration; re-tender for a new OC; or, create a 'not for profit' semi-autonomous organization as a special project under the Ministry. The third option is being proposed by the MRRD as it provides the Ministry with the ability to secure the services of high quality, experienced staff in the field of rural community development who demand high salaries, while simultaneously developing the capacity of national staff. However, we believe that these aspirations can be met through a fourth option; the creation of an executive agency for the operational delivery of the NSP.

We recommend the creation of an Executive agency, a model of service delivery currently deployed in most OECD member states and pioneered in the UK context in the late 1980s. The key features of an executive agency fit with the MRRD's institutional and human resource needs:

1. An executive agency is semi-detached from its parent department (MRRD), with its own budget, freedom from some aspects of departmental regulation (particularly in relation to recruitment), with the organization under the direction of a chief executive and other unit managers often recruited through open competition.
2. Executive agencies are accountable for the performance of specific operational tasks as a corporate unit, including output-focussed performance targets set by the parent department (in this case the MRRD), and the personal accountability of the chief executive for meeting performance targets.
3. Executive agencies are established through a Framework Document issued by the minister of the parent department (MRRD). Although the Framework Document is an official document, it is not a law. Hence agencies are not legally distinct from the departments that supervise them, and of course all of the employees are public servants, even though the managerial élan is often recruited from outside the public sector.

It should be noted, however, that this proposal is geared towards meeting the particular needs of the MRRD for a form of organization that will allow it to retain specialist staff on internationally competitive salaries to deliver the NSP. This is not to say that executive agencies are not without their problems – lines of accountability can become blurred, and separating policy from administration can lead to the emergence of implementation gaps.

Recommendation 12

We recommend the creation of an executive agency as a new institutional venue for the delivery of the NSP; a model of operational service delivery currently deployed in most OECD member states (see Section 7 for more detail).

Sub-national coordination and operational delivery of the NSP

This section of the report focusses on the role of two further groups of stakeholders in the coordination and operational delivery of the NSP – sub-national governments, Provincial OCs and their teams and facilitating partners.

The role of the provincial MRRD

According to the MRRD respondents and the provincial governors, the NSP has significantly improved the relationship between the participating communities and the government, in addition to creating stronger intra- and inter-community relations, to the extent that cases of conflict management have emerged. Furthermore, there is evidence of community empowerment. Government officers at the senior level draw upon development experience from the NSP and within the wider national policy framework. Furthermore, there were several instances of institutional cooperation and some evidence of institutional learning in practice. However, general capacity levels are poor. The following significant deficiencies and threats also emerged from the analysis, which in turn prompt some recommendations:

- ◆ The cap on the budget allocation ('regardless of the number of real beneficiaries') has caused significant distress within the Programme and risks causing rivalry and grievance.
- ◆ There is considerable frustration with delays in the transference of funds from the OC to the communities, which needs to be continuously reviewed.
- ◆ While the official complaints procedure was used, the approach to its implementation varies considerably, to the extent that it risks disappearing in some provinces; this is especially worrying considering the natural barriers to establishing transparency and accountability in the context of a war-ravaged State.
- ◆ There is a need to reconcile conflicting models of governance, both at the community and programme design level.
- ◆ In recognizing the values of fair representation, inclusion and legitimate authority, the role of women in the decision-making processes needs to be advanced to ensure that their development needs are protected.

- ◆ Greater efficiency and effectiveness would be gained by improving cooperation between government departments via inter-ministerial coordination of development projects.
- ◆ Operational and human resources are limited and unevenly distributed.
- ◆ Institutional learning and monitoring and evaluation also proved uneven.
- ◆ NSP training was equally patchy in its nature and style.

Provincial MRRD staff are optimistic that CDCs will become ‘the government at the district level’. Although the provincial MRRDs are confident that a ‘whole government’ approach to the NSP involving indicative ministries can be achieved, evidence from some FPs, the OC, some of the CDCs, and national level research would suggest otherwise. For example, projects have been delayed because of inter-ministerial arguments over whether the NSP should be building a school, or initiating an agricultural project. Moreover, the validity of the NSP itself is continually questioned by other provincial level ministries. This problem provides further evidence to support the recommendations outlined above for a ‘whole government’ approach to the NSP, with full and active presidential support.

While the provincial level MRRD acknowledges that it does not have the capacity to directly implement the NSP, its capacity to monitor progress is also questionable given acute staff shortages, the high number of projects, and its limited understanding of project management and programming on the ground.

Recommendation 13

A strategic plan needs to be devised by the MRRD in order for the provincial level administration to ultimately assume a long-term NSP delivery role. This must involve a significant capacity development dimension. Provincial DRRD staff will need to play a greater role in NSP quality control, enhancement and disbursement processes by the end of the Programme.

However, due to the absence of a culture of sub-national government in modern Afghanistan, it is crucial that the decentralization of operational delivery functions to DRRD provincial and district officers is carefully phased in. Indeed, it should only occur when it is clearly demonstrable that DRRD officers have the capacity to assume

the role. In the meantime there is an urgent need to build DRRD management and operational delivery capacity at the provincial level and to extend it down to the district level through a phasing strategy. Until then the continued presence of an OC-type organization would be prudent to insulate the NSP against political pressure and corruption, and to ensure independent quality control and monitoring and reporting to donors.

Recommendation 14

The cap on budget allocation (‘regardless of the number of real beneficiaries’) is causing significant distress within the Programme and risks precipitating conflict. The problem of budget caps based on poor population surveys needs to be looked at and acted upon by central MRRD as a matter of urgency.

Recommendation 15

While the official CDC complaints procedure is used, the approach to its implementation varies considerably, to the extent that it risks disappearing in some provinces. This is especially worrying considering the natural barriers to establishing transparency and accountability in the context of a war-ravaged state. The complaints procedure therefore needs to be standardized and entrenched.

Recommendation 16

There is a need to reconcile conflicting models of governance, both at the community and programme design level. Similarly, the question of sustainability (CDCs and projects) should also be addressed at both levels.

Recommendation 17

Greater efficiency and effectiveness would be gained by improving cooperation between government departments at the provincial and district levels, with a focus on coordination. As a minimum requirement, it is important for government departments to have accurate information concerning the responsibilities and operational tasks of their counterparts to avoid confusion or jealousy.

Recommendation 18

Sufficient operational and human resources need to be provided by the MRRD in the field in order to maintain levels of community confidence in government.

Recommendation 19

Processes of institutional learning need to be standardized and monitored.

Recommendation 20

The nature and style of training demands consistency and effectiveness, with special emphasis on improving the provision of technical skills training.

The role of the provincial Oversight Consultant

According to respondents, the NSP has significantly improved the relationship between the participating communities and the government, in addition to creating stronger intra- and inter-community relations. However, we recommend:

Recommendation 21

The capacity development of the DRRDs by the OCs needs to be made relevant to the implementation environment and the rationale of the NSP in order to avoid institutional dependency while ensuring the Programme advances.

Recommendation 22

The level of skills and capacities of community members required by the Programme to reach its targets needs to reflect the actual skills and capacities of the community members. The advancement of targets would demand training to address the gaps and weaknesses in these areas, as identified by the OC in consultation with each CDC, DRRD and FP.

Recommendation 23

As a particular concern within the recommendation above, the skills and capacities of women CDC members need to be improved towards ensuring gender-equal participation and decision-making at the community level.

Recommendation 24

The cap on budget allocation (‘regardless of the number of real beneficiaries’) is causing significant distress within the Programme and risks precipitating conflict. The problem of budget caps based on poor population surveys needs to be looked at and acted upon by provincial OCs and teams as a matter of urgency. Connected to this, in overcoming project budget shortfalls, further action is required to form links to other international donor programmes.

The role of the Facilitating Partners

The role of the FPs has been crucial in the social mobilization and capacity development of CDCs, and will need to continue for the short- to mid-term due to limited MRRD capacity at the district and community levels. All the FPs have serious doubts whether the CDCs will be able to function without further capacity development and direct external support. The future role of the FPs rests on whether the NSP remains purely a development programme or whether the governance component of the programme assumes a greater role in NSP Phase 2. If the former applies, then their engagement will be concluded at the end of the project, but if the governance dimension is emphasized they will: a) need to undertake further training to prepare the CDCs for taking on such a governance role; and b) need to be funded to maintain contact with the CDCs over a period of time to organize re-elections and complete the further training of the newly elected members. We would encourage the latter, in which CDCs are granted a constitutional role with statutory responsibilities at the village level. By implication this would involve the extension of the public administrative system from the district to the CDC level through the establishment of an elite of CDSOs. The role of the CDSO would be to assume the role of FPs and provide technical support to the CDC in all of its core competences.

Recommendation 25

Processes of lesson-learning across FPs should be improved, particularly in areas where certain FPs possess significant expertise e.g. UN-HABITAT and economic development activity or gender-oriented development programming or BRAC and working in areas with security problems.

Recommendation 26

A community-based programme requires a high degree of trust between the communities, the FPs and the government – this is easier to achieve if the FPs have previous rural development experience in Afghanistan. FPs therefore need to be carefully selected; a criteria is suggested below. A national NGO with prior engagement in rural development and a professional administration and monitoring capacity is the ideal choice as they don't carry overhead costs for expatriate staff, establishing new offices or costly lines of communication, and they do have a tested system for community development that can be further improved. In second place would be international FPs with considerable experience working in Afghanistan, a majority of Afghan staff at all levels, offices and experience of working in different parts of the country with rural development projects. These two categories of FPs are also better prepared to handle and mitigate security risks and have the necessary degree of trust within the communities to evoke community protection. The least 'cost effective' FPs would be those who are new to Afghanistan, overly reliant on expatriate staff that has a tremendous challenge to gain the trust of communities and government.

Recommendation 29

The Operational Manual should be changed as little as practicable; this would ease the pressure on the national OC and allow all other stakeholders time to consolidate practice.⁴

Recommendation 30

Some of the administrative forms that require completion by the CDC are too complex for barely literate people to complete. There needs to be a balance between transparency and expediency, particularly for the CDCs. This is especially the case for accounting and procurement forms and the sub-project proposal completion form. A failure to adopt a more realistic approach to capacity development and community empowerment will continue to ensure that FPs remain 'Implementing Partners'.

Recommendation 31

NABDP and NSP thinking needs to be harmonized in order to join-up Provincial-District-CDC coordination of development programming to avoid waste and duplication.

Recommendation 27

For some FPs the constant comparison to others working in less difficult areas is disheartening, and in some circumstances has led to a feeling of a lack of appreciation. Extra support and allowances should be given to FPs working in problematic areas, particularly in terms of a more flexible timetable and a reaffirmation of the generally good work they are doing in such trying circumstances.

Recommendation 28

The definition of 'project completion' should be reviewed in consultation with FPs in order to incorporate an appreciation of the intangible outcomes of the NSP (e.g. community empowerment, ability to maintain facilities, etc).

The role of Community Development Councils in programme management and operational delivery

The following observations about the role of CDCs in the NSP are drawn from two sources: a community power survey and a household survey. The community power survey was conducted with the principal aim of assessing the extent to which CDCs had been able to assume the two key roles assigned to them by the Programme: representative governance and community development. In practical terms this involved assessing their capacity to function independently as a democratic leadership of their communities and their ability to select, plan and manage development projects. The household survey was designed both to assess the impact of the NSP in respect of its goal and objectives, and to provide evidence of progress in developing inclusive community governance as a means of empowering communities to improve their

⁴ This recommendation has been adopted post publication of the PRDU's Inception Report, November 2005.

lives, as well as detecting changes in public perceptions of government.

In the absence of baseline data, community leaders and householders in matched communities not participating in the NSP were interviewed with a view to corroborating the retrospective accounts of the CDC of governance before the NSP, and in order to distinguish between general post-war trends and changes directly induced by the Programme. It is envisaged that this research strategy will continue to be useful for the NSP until adequate baseline data is generated by the Programme through the compilation of enhanced community profiles and statistical records.

It is observed that Programme objectives should be re-focused on the consolidation of the CDCs to ensure the sustainability of the Programme, and that the OC should seek to simplify unnecessarily complex bureaucratic disbursement processes. In particular, further strategies need to be developed to enhance the participation of women, both in community governance and in project implementation, and the inclusion of the poorest of the poor and disadvantaged as beneficiaries. It is further observed that the NSP must be viewed as a long-term process; the NSP is a radical programme in the context of Afghanistan and it is unrealistic to expect lasting change within a short time frame. For example, female participation is highly problematic in the eastern region, and Nangarhar in particular. The east is a very conservative area and FPs and the OC acknowledges that an increase in female participation will only occur gradually, a point certainly borne out by this research. Nonetheless, NSP communities have far more tools than non-NSP communities for envisaging problems, linking priorities and planning. NSP communities are therefore less reactive and more proactive, and have a significantly more favourable opinion of the government. This is underpinned by optimism for the future that non-NSP communities do not share. The non-NSP communities have a strong distrust for government and little faith in its ability to address their problems. Indeed, there are many misplaced perceptions about the government, and Afghanistan in general, because there has not been any formal contact with governmental organizations to clarify the facts. As one villager put it, in a non-NSP community, 'the government has done nothing for us'.

⁵ This recommendation has been adopted post-publication of the PRDU's Inception Report, November 2005.

We therefore suggest a broad range of recommendations for CDCs aimed at improving project delivery through simplification of bureaucratic processes, and enhancing gender balanced institution-building and developing capacity at the local level through processes of consolidation.

Simplification

Recommendation 32

The Disbursement system is too onerous and should be made in one instalment.⁵

Recommendation 33

While the fund transfer mechanism system has improved through the delegation of approval to the Provincial OC, and by reducing the number of instalments, we still believe that much could still be done to speed up the approval process and disbursement process through, for example: a less bureaucratic CDC and project formulation processes; allowing villagers to establish a bank account where the money might be deposited, rather than having to bring the money to the village and, not least, by giving the villagers a fixed date when the funding will be available.

Consolidation

The sustainability and long-term success of the NSP can only be guaranteed by the development and consolidation of the capacity of the CDC.

The idea that *capacity* is essentially concerned with the ability of people to function effectively to influence the conditions of their communities, and 'implies a long-term investment in people and their organizations', has long been recognized. (Eade, 1997:1-3).

However, although capacity-building may be concerned fundamentally with investing in the human capabilities of a community or organization, that development also requires the advancement of necessary resources and conditions. Failure to grasp that the capacity, or power, to act effectively is conditioned by these circumstances as well as personal knowledge and ability, has probably been at the root of many difficulties with capacity-building programmes,

where donors have seen the need to develop institutional and personal capacity through “training”, while recipients have been focussed on accessing financial resources. In the field of community development, promoting the ability of the poor to take control of resources, access markets and information, and participate in decision-making, *or empowerment*, is also now widely considered as an important component of capacity-building.

It is probably for this reason that the term *capacity development* is now preferred, because it indicates a more holistic approach which encompasses all three aspects of capacity associated with participatory development practice: human ability, material resources and power (Whyte, 2004:19).

In Phase 2 the NSP needs to ensure that the CDC’s capacity to function in each of these aspects is consolidated and developed by creating favourable institutional, social and economic conditions, as well as opportunities for further skills development. The field research also clearly indicates that the precise combination of strategies required after the completion of Phase 1 will vary from one community to another, depending on their basic level of development and local socio-economic conditions. The following recommendations are by no means exhaustive.

Recommendation 34

A greater focus should be placed on effective social mobilization, capacity development and institution-building. This is especially relevant in CDCs where the vast majority of people are illiterate. Again, a failure to adopt a more realistic perspective will mean that the FPs will continue to be ‘Implementing Partners’, placing the long-term sustainability of CDCs at risk. A twin track process of consolidation and expansion should be devised. A Phase 2 Consolidation Strand should be aimed at CDCs who have successfully completed sub-projects. An action zone approach should be deployed where appropriate within this strand whereby CDCs sharing common CDP goals should be encouraged to engage in joint programming to meet community priorities and achieve economies of scale. The Phase 2 Expansion Strand should focus on the strategic roll-out of the NSP to ensure nation-wide coverage of the NSP, but with a bias towards integrating vulnerable communities.

Recommendation 35

In order to ensure the long-term survival of CDCs, the NSP process needs to be incentivized. We recommend the use of ‘top-up’ grants and ‘matching funds’ to reward CDC initiatives on NSP priority areas such as gender based and alternative livelihood programming.

Recommendation 36

Where appropriate, certain projects should have a component which should specifically benefit the poorest of the poor and encourage pro-poor growth. In the future there will need to be more emphasis on poverty reduction initiatives that focus on livelihoods rather than physical infrastructure. Our research findings suggest that there is a desire to consolidate community gains made through the NSP with related initiatives for employment, income generation and further skills training. However, there needs to be a careful balance between institution-building objectives and the establishment of programmes that have a genuine impact on pro-poor growth. Indeed, in the medium term pro-poor growth programmes should only be rolled out on a strategic basis in areas where CDCs have become socially embedded and are capable of acting benevolently.

Recommendation 37

Continued support should be given to women-only CDCs. The gradualist approach to more significant women participation within the NSP process should also continue, and where possible women-only priorities should be addressed as a priority. A separate NSP fund for projects targeting women and children should be created and bids encouraged, but this needs to be accompanied by the strengthening of women’s capacities within the CDC. These findings support the view that separate women’s groups with separate project budgets are necessary in the short-term to develop women’s capacity. At the same time this should not be used as a mechanism for institutionalizing their exclusion from decision-making in the general CDC.

Recommendation 38

There is significant concern about the long-term sustainability of CDCs once NSP projects have been completed. It is therefore recommended that CDCs should assume a broader range of responsibilities with community development planning and programming to provide them with an ongoing role in community governance. This should be introduced through a phasing process linked to the attainment of certain levels of capacity. The new responsibilities could include: resolving internal community disputes (e.g. land, water rights); bargaining with traders; sharing lending risk; bargaining for better share cropping arrangements; bargaining between CDCs and developing district plans and projects, thus achieving economies of scale; and the registration of births, marriages and deaths. A more ambitious and longer term task, which is nonetheless worthy of consideration, is to use CDCs to collect local taxes on the basis that they would retain the large part of the levy for community development activities, while transferring the remaining part to government.

Recommendation 41

CDC members have benefited from 'exposure visits' to other local CDCs. In the spirit of a national programme advocating solidarity, provision should be made for regional or national 'exposure visits' to enable lessons to be learned and relationships to be formed – both of which would directly contribute to state building.

Recommendation 42

At the community level, training in clerical skills is good (to the literate), but training in artisan trades is patchy and inadequate (to the illiterate). Skills acquired should be rendered portable by issuance of commonly-recognized certificates for management, clerical and artisan skills.

Lesson-learning and capacity development

See also recommendations 22 and 23 above.

Recommendation 39

In relation to engineering projects there is a need for a formalized system of appointment for 'site managers' by CDCs. Focussed training is required for those appointed. CDCs should provide overall project direction but a separate project management team should be appointed. CDC members should remain unpaid (to show commitment to the community) but the project management team should be paid allowances.

Recommendation 40

The recent CDC jirga was very well received by rural communities and helped to convince the cynics that the NSP was a positive step forward. Regional and national CDC jirgas should be arranged on a regular basis to reinforce the government's position, consolidate the perceptions of existing CDC members and demonstrate the government's support for newly created CDCs.

The enhancement of NSP engineering projects

We also undertook an evaluation of the quality of NSP engineering projects. It was observed that standards of project design and construction varied to extremes, although most were appropriate and adequate. At one end of the scale one could cite the impressive micro-hydropower project at the village of Salakhail, Skakardar District (Kabul Province) where relevance, specification, design, construction and sustainability were all covered very well, resulting in an excellent project all round. At the other end of the scale one could mention the school at Markaz-e-Dawlatabad, Dawlatabad District (Balkh Province) where relevance was inadequate, specification and design were sub-optimal (in terms of school size and earthquake mitigation), and construction standards were sometimes poor.

There appear to be satisfactory processes for checking engineering designs, particularly for infrastructure where failure could lead to human casualties. [Particular emphasis needs to be given to ensure that for structures, adequate provision is made for extreme snow and wind loads, and for earthquakes.] However, there was no clear chain to ensure that the design (as checked) was that which was actually implemented. Although difficult to firmly correlate, it did seem that there were instances where adequate designs were compromised by

poor construction – indeed there was at least one case where it appeared that steel reinforcement in a retaining wall had been omitted to save money.

In general, there was also a good understanding of the need for an operations and maintenance plan; however, there were mixed responses on how this should be done – not always was someone nominated and trained for responsibility, and rarely was there a contingency or succession plan in case of incapacity or unavailability of anyone nominated. Ongoing costs were a big factor (especially for projects that would perpetually rely on an imported fuel supply) and, whereas most CDCs had simple physical/financial plans, their biggest concern was whether the community savings box would remain adequately filled in the longer-term. A range of recommendations follow for the enhancement of engineering projects.

Recommendation 43

The need for mitigation measures against natural hazards (particularly earthquakes, landslides and floods) should be given a higher profile. General requirements for all projects (whether by avoidance or mitigation of risk) should be highlighted at the specification stage, and all infrastructure projects should be vetted for adequate compliance by an appropriately qualified engineer.

Recommendation 44

A Block Grant fund needs to be made available to the NSP to mitigate the affects of disasters and terrorist attacks that damage/destroy NSP initiatives. The availability of such a fund would be extremely useful in building social solidarity in times of crisis. A proposal should be made to NSP donors to set up a Disaster Mitigation Fund for these purposes.

Recommendation 45

A more tangible link should be established between those who design projects and those who construct them. There should be a mandatory requirement for an engineer from the designer's organization to visit projects under construction at appropriate times, to ensure that respective designs are being followed and that no shortcuts are

being taken in respect of materials and standards that might compromise the integrity of the structures concerned. Auditable records of these inspections should be maintained. It is recognized that there appears to be a shortage of suitably qualified engineers in Afghanistan – unsurprising given the scale of reconstruction and development. Therefore, those projects where non-adherence to design requirements could lead to catastrophic failure should receive the highest priorities for inspections.

Recommendation 46

CDCs should be encouraged to identify clearly who is responsible for:

- ◆ *Project selection and subsequent direction (normally the whole CDC);*
- ◆ *Project management (normally a bespoke trained team within the CDC);*
- ◆ *Site management (normally an adequately trained individual (plus reserve) who is probably not in the CDC).*

Recommendation 47

CDC members should not receive remuneration for their activities. However, CDC members or local residents working in project management or site management should be rewarded – so if they are also CDC members, it should be noted that it is for their enablement roles, not their empowerment roles, for which they are being compensated.

Recommendation 48

A major initiative should be established to encourage the introduction of formal training in all the key construction skills, underpinned by the award of appropriate qualifications. The training should be village-based with instructors visiting at regular intervals. Formal instruction need not be very long (and could be conducted for groups of villages in collective sessions) but should be substantial enough to allow for follow-up on-the-job training. For each skill set, a required standard should be defined and a method of testing the standard required should be established. Initially, this standard should be applied nationally by MRRD and its agencies to all

those working within NSP. In time, this should be integrated into agreed national construction training and testing standards. An important element of the initiative in order to promote portability of acquired skills would be the award (and registration) of appropriate certificates (suitably designed to militate against fraudulent use). A similar initiative is needed for training and qualifying site managers, though in this case a longer period of formal instruction will be required (say two weeks), and there would be considerable reliance on the individual's past experience when being formally assessed for the appropriate qualification.

NSP Financial Operations

Four main obstacles to effective and efficient NSP financial management have been identified in our survey: disbursement, procurement, liquidity and limited evidence of corruption. The NSP-OC's failure to meet its roll-out targets for December 2004 to August 2006 was partly attributable to prolonged delays that occurred in: the procurement process for securing critical goods (the responsibility of the MRRD);⁶ in the disbursement process due to the absence of Block Grant funds (the responsibility of the WB); and in the inefficient transfer of funds from DAB to CDC bank accounts. A further bottle-neck emerged in December 2005 due to the lack of liquidity in the Block Grant fund. Block Grant disbursements started to slow down in December 2005, reaching a complete halt in February 2006. The absence of Block Grant funds for disbursement further undermined the ability of the OC to meet its roll-out targets. It is also noteworthy that payments to FPs are also seriously behind schedule – 93 per cent of invoices received from FPs for services rendered in the second half of 2005 are yet to be reimbursed (the responsibility of the MRRD).

It is evident from our survey that there has been very little 'political' help forthcoming from the MRRD or the donor community to help the NSP/OC deal with these high level bottle-necks in the disbursement and other financial processes. It is therefore unsurprising that targets have not been met. However, the OC has been able to develop a Memorandum of Understanding (MoU) from DAB to transfer grants to the provinces within two weeks. The situation needs to be

carefully monitored and contingency plans for alternative disbursement mechanisms put into place. While it is important to build the capacity of Da Afghanistan Bank (DAB) to play a disbursement role, efficient disbursement processes are axiomatic to the operational delivery of the NSP. As we noted in Section 5, improvements have also been made with regard to the introduction of a streamlined disbursement process to deal with the problems emanating from the initial policy of requiring three instalments per sub-project.

Our surveys picked up on very few instances of corruption committed by members of CDCs. Indeed, the evidence from our research is that where you have effective CDCs corruption does not occur. Indeed, the NSP provides an outstanding opportunity to learn about how and why corruption takes place, and what mechanisms lead to or prevent corruption. It is therefore observed that corruption can be minimized through trust management, capacity development, and social audit. There is evidence, however, that the capacity of CDCs to provide effective reporting to the community and to the NSP on project progress and the use of funds could be improved.

Recommendation 49

In accordance with the recommendations outlined by the OC⁷ – improvement needs to be made to operating processes at the national level in relation to the processing of FP contracts, the replenishment of Block Grant funds and the payment of invoices. This would be best managed through one office under the auspices of the NSP.

Recommendation 50

A further capacity development deficit can be identified in relation to the management of NSP finances. A strategic plan needs to be devised by the MRRD in order for its finance team to assume the role of the OC in the disbursement process. This must involve a significant capacity development dimension. MRRD staff will need to play a greater role in NSP auditing, disbursement and other financial processes by the end of the Programme.

⁶ For example, 40 generators requested by FPs in October 2004 were not delivered until December 2005, and 20 four-wheel drive vehicles were requested in January 2005 by the PO OC but were not ready for use until June 2005.

⁷ NSP/OC (2006), *Analysis of Experiences and Lessons Learned in Program Implementation, 2003–6*, Kabul.

Recommendation 51

Further training needs to be provided to CDCs on auditing, transparency and financial reporting processes.

Recommendation 56

Federated structures are created at the district level in order for communities to interface with government agencies and development programmes.

Recommendation 52

The NSP provides an outstanding opportunity to learn about how and why corruption takes place and what mechanisms lead to or prevent corruption. Research should be supported by the World Bank in this area.

Recommendation 57

Community Development Officers are recruited and trained to support and promote human capital development activities in rural development.

Community Development Councils and future governance in Afghanistan

We propose a constitutional role with statutory responsibilities for CDCs at the village level,⁸ and the extension of the public administrative system from the district to the CDC level through the establishment of an elite of CDSOs. The role of the CDSO will be to provide technical support to the CDC in all of its core competences. The establishment of this technocratic elite, with attractive conditions of service, is central to the long-term sustainability of CDCs and should be a key component of the NSP's consolidation strategy. This proposal will also require a long-term capacity development strategy which should be integrated with broader processes of civil service reform.

It is therefore recommended that:

Recommendation 58

We therefore recommend that where appropriate certain projects should have a component which should specifically benefit the poorest of the poor and encourage pro-poor growth. In the future, due to donor mandates, it is likely that more emphasis will need to be placed on poverty reduction initiatives that focus on livelihoods rather than physical infrastructure. Our research findings suggest that there is a desire to consolidate community gains made through the NSP, with related initiatives for employment, income generation and further skills training.

Recommendation 53

CDCs be institutionalized into the system of governance.

Recommendation 59

The NSP should foster linkages between sub-projects. For example, the provision of electricity generators would be much more effective if the generators were to power mills, small manufacturing, or refrigerated storage rather than focussing purely on the provision of light and the encouragement of a consumer life style.

Recommendation 54

CDC By-laws are extended to include cyclical elections.

Recommendation 55

CDCs are given statutory powers in relation to community development planning and programming in core programme areas (education, health, water, energy, sanitation and basic infrastructure).

⁸ See Recommendation 31.

Linkages with the evaluation of other community-driven development programmes

The findings of this evaluation and several of its recommendations concur with the Independent Evaluation Group's evaluation of the effectiveness of World Bank support for CDD. Please consider the following.

The strengths of community driven development interventions

- ◆ Borrower officials believe that a participatory approach can contribute to poverty alleviation.
- ◆ CDD projects help to reduce the cost to government of delivering infrastructure.
- ◆ They have increased access to remote communities to service-delivery infrastructure.
- ◆ Capacity-enhancement efforts are likely to be more successful when a bank project supports indigenously matured efforts or provides sustained, long-term support to communities beyond a sub-project cycle.
- ◆ CDD projects have enhanced government capacity to implement participatory interventions.

Weaknesses of community driven development interventions

- ◆ Much more success is achieved in CDD projects in relation to quantitative goals (such as the construction of infrastructure) than on qualitative goals (such as capacity enhancement or quality of training).
- ◆ M&E systems do not allow systematic assessment of the capacity-enhancing impact of CDD interventions. It is often assumed that meeting the quantitative goals will automatically fulfil the qualitative goal; for example, holding a certain number of training courses is expected to enhance capacity.
- ◆ Communities need to bear an increased share of the burden for service delivery infrastructure; is this sustainable in the long-run?

- ◆ The poorest may not always benefit from CDD projects.
- ◆ The sub-project cycle is too short to sustainably enhance community capacity where it is weak or does not exist.
- ◆ More changes are needed to improve fiduciary and safeguard compliance in CDD projects.

This evaluation lends further support to the Independent Evaluation Group's recommendations of the need to ensure that:

- ◆ base-line surveys are conducted in CDD projects;
- ◆ the costs and benefits of undertaking CDD interventions are systematically calculated; and
- ◆ CDD programmes are integrated into overall country assistance strategies.

Indeed, the evaluation advances CDD knowledge in all three respects.

Programme costs, expectations and impact

In an ideal rational-type evaluation a programme should be strictly evaluated against the achievement of its aims and objectives. However, it is evident from this analysis of the obstacles to programme delivery that: a) a significant range of obstacles have been confronted by the NSP which have constrained its capacity to meet ambitious targets; b) although some of these have been the product of the absence of strategic thinking, the vast majority are outside the control of the NSP/OC and its FPs, and are generally typical of post-war reconstruction development programming; and c) despite these constraints significant achievements have been made. This evaluation has found evidence of at least 11 sets of benefits which have been derived from the NSP:

1. increased public perceptions of *national solidarity* achieved through state-building – e.g. the creation of new institutional architecture at the central (NSP-OC, DAB), provincial (Provincial Office [PO], OC), and village (CDCs) levels;⁹

⁹ See Sections 3, 4, 5 & 6.

2. improved state-civil society relations as a consequence of improvements in *national solidarity*;¹⁰
3. greater awareness of the activities of government as a consequence of the work of the PCU;¹¹
4. the empowerment of rural communities through the establishment of a new legitimate form of *community governance*;¹²
5. heightened perceptions of *community solidarity* achieved through processes of *community governance*;¹³
6. delivery of governmental *capacity development* (provincial and district level MRRD, NSP/OC, PO OC, DAB and Ministry of Finance staff);¹⁴
7. delivery of FP *capacity development* (training);¹⁵
8. delivery of *community capacity development* (training);¹⁶
9. direct forms of economic development through improved productive capacity and the provision of work in relation to certain NSP projects;¹⁷
10. indirect forms of economic development facilitated by:
 - a) increased economic activity arising from improved infrastructure, and
 - b) savings derived from lower costs of production;¹⁸ and
11. improvements in the quality of rural life.¹⁹

As stated in the technical proposal for this mid-term evaluation, it was premature to attempt to determine the impact of the Programme either in terms of achieving its stated objectives (laying the foundations for improved community level governance and poverty reduction), or in terms of the overarching aim of strengthening national solidarity. Nevertheless, as the evaluators expected, it has been possible to identify the above *qualitative trends* that can be attributed with some confidence to the interaction of the Programme with the objective socio-economic conditions in the communities and these, if sustained, would be capable of delivering the intended impact. No evidence was found of negative

impact, although a number of threats to the sustainability of the positive gains were identified.

This inclusive approach to evaluating NSP Programme costs and benefits reveals significant gains to the Afghan people in relation to institution-building (limited democratization) and capacity development (mainly in skills development) and social solidarity at the national and community levels, and to a lesser degree at the provincial and district levels. Impressive benefits have also been derived economically by: creating livelihood opportunities and direct forms of economic development through improved productive capacity and the provision of work in relation to certain NSP projects; and the provision of indirect forms of economic development facilitated by increased economic activity arising from improved infrastructure, and savings derived from lower costs of production. Important gains in gender equality have also been achieved in certain regions.

These benefits justify the overhead costs of the Programme, particularly in years 1 and 2 of the Programme. Moreover, overhead costs should diminish dramatically as a consequence of: a) lesson-learning from Phase 1; b) elimination of unnecessary bureaucracy through the simplification of delivery systems; and c), the gradual development of a new institutional venue for the delivery of the Programme. However, these achievements will need to be consolidated in the ways suggested above in order to ensure the long-term future of what may be deemed a development programme of outstanding potential.

¹⁰ See Section 4.

¹¹ See Section 2.

¹² See Section 4.

¹³ Ibid.

¹⁴ See Section 2.

¹⁵ Training in relation to delivering aspects of the NSP. See Sections 2 & 3.

¹⁶ See Section 4.

¹⁷ See Section 7.3.

¹⁸ Ibid.

¹⁹ Ibid.