



## INNOVATIONS FOR SUCCESSFUL SOCIETIES

### BUILDING TRUST IN GOVERNMENT: AFGHANISTAN'S NATIONAL SOLIDARITY PROGRAM, 2002–2013

#### SYNOPSIS

In 2002, the interim administration of the Islamic Republic of Afghanistan sought quick ways to expand economic opportunities for the country's poorest rural communities and promote a sense of shared national citizenship. Afghanistan had just emerged from 30 years of devastating conflict. Standards of living were low. Younger Afghans had never lived and worked together as members of a shared political community, and some had spent most of their lives abroad as refugees. In response, a team of Afghan decision makers and international partners created a community-driven development initiative called the National Solidarity Program (NSP). The NSP provided block grants directly to poor communities and empowered villagers to use the funds for community-managed reconstruction and development. With the help of an elected village council and a civil society partner, a community chose, planned, implemented, and maintained its roads, bridges, schools, and health clinics. External evaluations found that NSP projects generally succeeded in improving villagers' access to basic utilities and helped give a short-term economic boost to communities, although some of the other planned benefits did not materialize and project success rates varied across districts. During a period of low government capacity, the NSP was among the few programs that made a visible impact at the local level. However, the program's reliance on donor funds and outside partners raised doubts about its sustainability.

*Rushda Majeed drafted this case study based on interviews conducted in Kabul, Afghanistan; Jakarta; New York; and Washington from August through November 2013. Case published May 2014.*

#### INTRODUCTION

At the end of 2001, the Islamic Republic of Afghanistan began to emerge from 30 years of war. An international conference assembled in Bonn, Germany, in 2001 helped set up the Afghan Interim Authority, a 30-member committee responsible for addressing urgent needs, crafting new institutions, and paving the

way for a new constitution and elections. One of the authority's top priorities was to demonstrate the capacity of a central government to improve the livelihoods of its citizens, especially the nearly 80% of Afghans who lived in rural areas.

Recalling the conditions the country faced at the time, Ashraf Ghani Ahmadzai emphasized three central problems: "There was physical

devastation because of the war. There was climatic devastation because five years of drought had turned everything brown. And then there was psychological devastation. Five million people had been turned into refugees. A million and a half had been displaced. Our urban centers were totally destroyed.” Ghani, who was adviser to United Nations special representative Lakhdar Brahimi in November 2001 and later became finance minister in Afghanistan’s transitional administration, was poised to play a central role in designing responses to those challenges.

The conflicts that had wracked the country started with the fall of King Zahir Shah in 1973 and the Soviet invasion six years later. Externally supported rebel groups, including Muslim mujahideen, ousted the Soviet-backed leadership in 1992 and installed a transitional government. Internal struggles for power persisted, however. In 1994, Taliban fighters drawn from Afghanistan’s majority Pashtun group captured 12 of the country’s 34 provinces. From 1994 to 2001, the Taliban consolidated power and implemented an extreme interpretation of Islamic law that alarmed many Afghans.<sup>1</sup> In late 2001, the regime fell following a NATO-led invasion, and talks to constitute a new government began.

As the country emerged from war, decision makers tried to assess conditions and needs. Absent an up-to-date census or other conventional data sources, they relied on fragmentary information. The story was grim.

The Population Reference Bureau, a nonprofit agency in Washington, D.C., estimated that the total Afghan population was approximately 18.4 million people, but no one really knew how many people lived within the borders or how many villages existed.<sup>2</sup> Over half of the population lived on less than US\$1 a day,<sup>3</sup> and unemployment estimates ranged from 8% to more than 40% of working-age citizens.<sup>4</sup> Life expectancy was 45.3 years, and the country had the highest infant mortality rate in the world.<sup>5</sup>

About 90% of the population lived more than an hour’s walk to the nearest health facility.<sup>6</sup> Only a tenth of the country’s estimated 130,000 kilometers of roads were in good condition.<sup>7</sup> School enrollment stood at 43% for boys and 3% for girls.<sup>8</sup>

The United Nations High Commissioner for Refugees projected that more than 2 million refugees would return in 2002, placing even more pressure on limited opportunities.<sup>9</sup>

“Afghanistan was a failed state,” said Mohammed Ehsan Zia, who later served as head of the Ministry of Rural Rehabilitation and Development (MRRD) from 2002 to 2010. The country had many pressing needs, especially the restoration of security, economic growth, agricultural production, and education and health services. “We had to prioritize among our priorities,” he said.

## THE CHALLENGE

Afghanistan’s policy makers sought a way to bring the country back together. When international donors met in Tokyo to pledge financial support totaling US\$4.5 billion for postconflict reconstruction, Interim Authority president Hamid Karzai declared, “We intend to implement a local empowerment program that would allow communities to manage their own resources. Such a program would allow legitimate leaders to emerge and deal with issues facing their communities while forming a basis for consultative democracy in the future.”<sup>10</sup>

The need to create a sense of shared national identity was a crucial part of that project. Ghani said: “The impetus was to create a core of solidarity around the idea that all Afghans were citizens of a new Afghanistan, with rights and obligations. . . . We wanted to shift the parameters from areas of privilege to areas of poverty and exclusion.” Zia echoed this view: “Social inclusion was the most urgent need of the country in 2002. We thought the only way that

we could promote social cohesion on a massive scale was to bring people to work together for a common good.”

It was also important to improve economic opportunities quickly and show the impact of a new peacetime government at the local level because conflict could easily rekindle if people saw no positive changes in their lives.

Rugged topography and persistent insecurity had made it difficult for any government to meet those goals in the past. With a population of about 30 million spread across approximately 650,000 square kilometers, or about 250,000 square miles, the landlocked nation shared borders with six neighbors: Pakistan, Iran, Turkmenistan, Uzbekistan, Tajikistan, and China. Many Afghans in far-flung provinces had never even seen a national government official.<sup>11</sup>

The newly installed government also lacked the administrative and financial structure to implement a program in all 34 of the country’s provinces. Most ministries were understaffed, and civil servants had little or no training or experience in managing an ambitious national program that aimed to deliver services to all parts of the country.

In addition, national-government officials outside the capital city of Kabul were frequently in precarious positions because provincial and local so-called commanders—factional leaders who controlled distinct geographic regions and exercised de facto authority in those areas—might consider a central-government initiative a threat to their patronage networks and their control of resources.<sup>12</sup> Afghanistan’s new leaders had to address all of those challenges within a broader context of skepticism and distrust among Afghans and their local leaders regarding any national government. Ghani said, “People were used to a form of patronage, where they [depended on] either the old [landowners] or the man with the gun—that is, the commanders.” Those commanders had dominated large areas for

decades, linked in some places to tribal structures.<sup>13</sup> Civil servants who reported to central ministries had to work within the realities created by provincial commanders or governors who had the power to influence local activities.<sup>14</sup>

Money was not itself a major problem initially. Although Afghanistan’s fledgling government was broke, international donors were eager to fund reconstruction and provide the funds needed for development.<sup>15</sup> However, moving money around the country was problematic. Afghanistan’s banking sector had collapsed during the Taliban years, forcing the country to become a near-cash economy.<sup>16</sup> Mukhtarullah Mukhtar, who worked as a member of the Coordination Office of the NSP from early 2005 to late 2006, recalled, “We did not have an official banking system in some provinces, and in remote areas there were no proper banking channels.” The Afghanistan Central Bank had limited reach. The planners had to find ways to disburse funds in areas where no commercial banks operated.

Success in delivering services relied not only on persuading military, tribal, and religious leaders who wielded considerable influence to support the government’s initiative but also on changing the way people thought about their relationships with each other and with new national institutions.

## FRAMING A RESPONSE

The Interim Authority searched for a strategy to bring the country together in the context of the challenges. Developing the proposal fell to a small team of Afghan officials, supported by advisers from the United Nations. As adviser to Karzai (and as minister of finance beginning in July 2002), Ghani took a leadership role. The team also included Zia, who had decades of experience in designing and managing humanitarian and development programs in Afghanistan; Mohammad Hanif Atmar, who had

worked in nongovernmental organizations (NGOs) in Afghanistan for several years and was a deputy director of the International Rescue Committee; and Clare Lockhart, a legal adviser to the UN for the 2001 Bonn Agreement that brought the Interim Authority into being and, later, an adviser to the Afghan government.

### *Learning from past experience*

Ghani knew that Indonesia had started an innovative program to achieve similar goals about four years earlier. A former professor of anthropology, Ghani had worked at the World Bank for more than a decade before returning to Afghanistan. His former university roommate, Scott Guggenheim—also an anthropologist—had worked at the World Bank in Indonesia, where he helped lead an experiment with community-driven development.

The Indonesian initiative, called the Kecamatan Development Program, empowered communities to propose public works projects or social programs, develop the programs with the help of facilitators, and enter a competition with other communities for resources. Winning villages contracted directly with workers and suppliers for all services associated with their work, oversaw the projects, accounted for performance, and created plans for maintenance and sustainability. The grants flowed directly from a central-government fund into special community bank accounts. Ghani called Guggenheim to propose a fact-finding trip through Afghanistan's provinces.

The trip sparked ideas for adapting Indonesia's program to Afghanistan and also for integrating lessons from community projects that had long operated in remote parts of the country.

Guggenheim and his companions spoke with villagers and asked how their communities were organized. They tried to assess the kinds of risks involved, the likelihood that warlords or other elites would capture the benefits for themselves, and the level of social capital, or ability to work together, within communities.

Although the team also looked at community-driven development programs in Mexico and Canada, it learned that there were community-driven programs in Afghanistan that could provide a possible foundation for an initiative like Indonesia's Kecamatan Development Program. The Community Forums Project (also called the Community Fora), led by UN-Habitat (the United Nations Human Settlements Program), had started in Mazar-e-Sharif in northern Afghanistan. Samantha Reynolds Leader, UN-Habitat's regional program manager, invited Ghani and his team to the Panjshir Valley in north-central Afghanistan to witness how the forums mobilized communities without spending a lot of money.

A team of 3,000 social facilitators and engineers ran the forums, which enabled communities to build their own institutions, manage projects, and mobilize funds. The forum was consistent with religious and cultural norms. Its rules and processes were not too complicated. Leader and the UN-Habitat office—which included Abdul Baqi Popal, Najib Amiri, and Habib Rahimi—began to advise Ghani's team.

Lockhart said the forums experience showed that communities had significant social capital: "They had survived 23 years of war by then and had tremendous know-how and social and institutional capital at the village level."

### Textbox 1: Community Forums

In 1995, with buy-in from community leaders, UN-Habitat launched the first community forum in a district of Mazar-e-Sharif, a city with a population of 700,000 in northern Afghanistan. It was based on the centuries-old idea of shura, a consensus-building and consultative process. Samantha Reynolds Leader, UN-Habitat's regional program manager, said, "When problems get bad, people do organize and try to solve them." The community forum idea built on that instinct and developed gradually as a result of conversations with women in several communities.

Designed to be inclusive, the forum program paid particular attention to the needs of women and the poor. It provided a neutral meeting place where men and women could gather to discuss the community's pressing needs and find ways to improve services or increase incomes.

An initial US\$9,900 grant covered the cost of a building to house forum meetings and related activities. Eventually, each forum ran income-generating activities to fund recurrent costs. A three-member board managed each forum, its income-generating activities, and profit sharing (20% to workers and 80% to a community fund for operations). It reported to a consultative board that included important community members. At a meeting every three weeks, the management provided a financial report and discussed future plans. Women held leadership positions and participated at all levels. Other districts in Mazar adapted the model, and by mid-1998, 11 forums were operating in the city—at least one in each of the seven districts. An overarching development organization coordinated the activities of all the forums. From 1995 to 1998, the Community Forums Project spread to other areas of Afghanistan, eventually totaling 33 in five cities and 2 rural communities.

The forums often organized vocational training, youth activities, de-mining, and health care. Villagers paid fees for many of those services so that the forums could recover their costs, although the poorest were exempt. The forums enabled the communities to mobilize funds, build institutions, and manage projects.

After Mazar fell to the Taliban in 1998, the Taliban closed the community forums, but the women asked the Taliban commander who had taken control if he would agree to reinstate the system. Leader said she "used the Koran [Muslim holy book] to justify it. He agreed. The Taliban split the forums into half for men and half for women, but they somehow made it work." They also started many home-based activities. The forums continued to operate and expand under the Taliban regime until 2001. They also continued to work during the 2001 NATO-led invasion of Afghanistan.

The NSP learned valuable lessons from the Community Forums Project. Clare Lockhart, who helped design the NSP, said: "The Community Fora provided a foundation that had emerged over time. . . . It would have been impossible to get the NSP up and running so quickly without them."

#### *Designing the program*

In February 2002, the outlines of an Afghanistan community-driven development program called the National Solidarity Program began to take shape. As in Indonesia, Afghan communities would be responsible for identifying their priorities, planning and managing projects, and reporting the results. Each village in a district would hold elections for seats on its community development council (CDC). Using a secret ballot

when possible—so that no one would know which people voted for which candidate—villages would elect 16 to 24 members to sit on a management committee for a term of three years. The elected representatives would consist of equal numbers of men and women, who would sit on either one committee or two gender-segregated subcommittees. For the election to be valid, at least 60% of the adult population had to vote. The councils would work with their communities to



plan and execute projects—with limitations on activities that generated income—and report progress.

Initially, the designers wanted the NSP to follow the Indonesian model and rely on local facilitators—a network of Afghan consultants—to assist communities in planning and implementing projects. However, because the war had left the country with a shortage of capacity in many communities, the design team negotiated with NGOs like the Aga Khan Development Network and the International Rescue Committee to accept the facilitation role shortly after the initial public announcements of the program.

Financial support would come from a World Bank–managed central fund in the form of block grants made available every two years. The value of block grants depended on the number of families in each village. The program would allocate US\$200 per family, with a maximum of US\$60,000 for a village of 300 or more families. Communities had to contribute 10% of the cost of projects, in the form of either land or labor.

The central fund disbursed project funds to a special account at the finance ministry, which in turn released block grants in installments to community-managed bank accounts. The funds bypassed local governments and other ministries.

Unlike the Indonesian model, the NSP design did not include any competition for funding among villages. In the Indonesian model, in order to reduce the risk that local elites would capture resources for their own use, funding was provided only for projects an intercommunity forum deemed best. Only in the most volatile parts of Indonesia, such as Aceh, had the government altered that requirement and allowed *all* villages to receive grants. Worried that competition could trigger conflict, Afghan planners followed the Aceh example and dropped the competitive element.

The NSP design incorporated other procedures to ensure accountability after funds

reached the local level. The chairperson of each CDC, along with the deputy chairperson and treasurer, would open an account with a registered bank. All three had to sign for the withdrawal of any community funds, as did one other council member. At least one of the four signers had to be a woman. Councils had to maintain detailed financial records of income and spending and make this information available to the public.

The NSP design emphasized the inclusion of women, as did Indonesia’s program. Each council would have to be 30% women. Male and female representatives could either meet together or meet separately and take independent actions. The NSP also encouraged its facilitating partners (international groups and NGOs that provided technical support and expertise to help make the program work) to recruit female staff who would support the councils and communities. Unlike the Indonesian program, however, there was no requirement that at least half of the projects had to be proposed by women’s groups.

As they developed the concept for the program, NSP team members traveled to Indonesia to study the country’s program in greater detail. Popal recalled two elements of the Indonesian system that impressed him: “One was bookkeeping or record keeping, which was very important for funding. The other was consultation and prioritization—how people came together and discussed.”

Popal and some of the other team members initially worried that the Afghan context might pose special challenges for adapting Indonesia’s model. For example, he said, “We had some concern about whether we could really replicate the model because the literacy rate in Afghanistan was very low.” Moreover, although communities would do most of the work, the government still played a role in transferring block grants, contracting with partners, monitoring results, and carrying out other crucial tasks—and the capacity to do those things wasn’t immediately evident.

The team also realized that in many areas, the Taliban had left a functioning civil service more or less in place, although they had underfunded government.

The team estimated that there were 20,000 villages, a number projected to double in 10 years. The planners decided that an initial pilot phase would implement the NSP in three rural districts in each of the country's 34 provinces. The pilot approach allowed for adaptation to reflect lessons learned during the initial implementations.

#### *Finding an institutional home*

Ghani cultivated Karzai's support throughout the design phase. The country's *loya jirga*, an assembly of tribal, ethnic, and other leaders, had elected Karzai president of the transitional government in June 2002. Lockhart said: "The key was getting the president on board. Ghani was his chief adviser, and they spoke every morning for a long time. The program was very much in line with Karzai's natural instinct to get the communities centrally involved in reconstruction."

Temporarily, the NSP joined other priority government programs under the umbrella of the Afghanistan Assistance Coordination Authority, established in April 2002 as an incubator for the government's priority development programs. It housed the NSP during the program's design phase.

At the national level, responsibility for managing the program eventually would lie with the new Ministry of Rural Rehabilitation and Development. The MRRD's mandate was to help rural communities execute projects that involved infrastructure, agriculture, income generation, drinking water, and village-level irrigation. "MRRD was the natural home for NSP," said Zia. Team member Atmar took over as minister in April 2002. The MRRD eventually would house an NSP project implementation unit and 6 regional and 34 provincial management units.

## GETTING DOWN TO WORK

The NSP's initial phase began in May 2003—when the first facilitating partner came on board—and lasted until March 2007. Subsequent phases expanded the program into more districts. By the end of the second phase (April 2007–September 2011), the program was covering nearly 60% of rural Afghanistan and had a budget of nearly US\$250 million a year, said Mohammad Tariq Ismati, NSP executive director and later MRRD deputy minister of programs. By the end of the third phase (October 2010–September 2015), the program was covering nearly 90% of the country with the help of 34 facilitating partners.

#### *Establishing a framework*

Because the NSP touched on the activities of several ministries, the new community-driven development program had the potential to be a source of conflict within the government. To head off misunderstandings and reduce turf struggles, the core team established a 12-member steering committee to solicit support and buy-in from key ministers and raise awareness about bottlenecks. The committee had representatives from 10 ministries, including the finance and foreign ministers and the minister for women's affairs. The vice president chaired the committee, which also provided high-level advice and direction.

The MRRD drew on help provided by German development agency GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) to manage the program and oversee the work of the NSP's facilitating partners. Ismati said, "We could not entirely rely on civil servants, who had problems of capacity and [low] remuneration." Some government workers were genuinely skeptical that the program would work, while others simply wanted to retain access to the funding the program provided. Atmar and his deputies took steps to persuade them that community-driven development was important

and made sense—and that the MRRD would not tolerate diversion of funds for other purposes.

The GIZ personnel supervised daily operations and helped troubleshoot when needed. The German agency also took responsibility for managing the transfer of block grants to community accounts and for appraising and approving projects, monitoring, and managing reporting. The NSP office provided oversight and held the GIZ accountable for delivering on its commitments.

Over time, the NSP program at the MRRD developed a sophisticated internal structure, with a directorate that managed donor and government relations, fund raising, operations, and programming. It had a field support unit, district offices, and an office for managing high-risk projects.

#### *Setting up finances, procurement, and reporting*

Given the lack of capacity in Afghanistan's new government and the country's weak financial sector, the NSP relied on World Bank guidelines for financing, procurement, and reporting.

The money to finance the block grants and run the NSP came from the Afghanistan Reconstruction Trust Fund, a multidonor fund set up by the World Bank in May 2002 to support the nation's national budget and development programs. With built-in transparency systems, the trust fund served as an important mechanism for donors to funnel money into the country.<sup>17</sup> The fund coordinated external contributions and channeled money through the finance ministry to the MRRD. Early major investors included the World Bank, the UK Department for International Development, and development agencies of the Netherlands, Norway, and Germany. (The United States contributed to the fund later, in 2005.) By 2013, the International Development Association of the World Bank had contributed US\$437.84 million (22%); the

Afghanistan Reconstruction Trust Fund, US \$1,369.48 million (69%); bilateral donors, US \$130.8 million (7%); and the Japan Social Development Fund, US\$41.81 million, (2%).

The NSP's financial management systems had to be acceptable to the government and the donors. The Ministry of Finance created a special account for the MRRD and deposited the NSP's entire annual budget into the fund, allowing managers to disburse the monies in line with authorized uses instead of waiting for periodic disbursements. Those nonstandard, streamlined procedures bypassed the Ministry of Finance's routine clearance process and facilitated the distribution of block grants.

Mukhtar said: "On average, ministries spent 30 to 40% of their annual budgets. But NSP has been able to spend its money. In 2006, we got US \$200 million, and we spent all of it. And we had the capacity to spend around US\$362 million based on the planning we had."

The need to distribute financing effectively in remote areas posed a significant problem. In the absence of a commercial banking system, Ghani negotiated with the Central Bank of Afghanistan to set up community accounts at the bank's provincial branches. He also encouraged the bank to establish branches in remote areas so as to facilitate the reliable movement of money.

The World Bank made an unconventional exception to its usual policies and let the NSP rely on Afghanistan's informal network of financial intermediaries to dispatch block grants in areas where no banks existed. The informal system, called *havala*, had functioned effectively in Afghanistan and other countries for decades. For a fee, people in one part of the country could transfer money to brokers who paid agents to get the funds to the proper recipient. Anwar ul-Haq Ahady, minister of finance from 2004 to 2009, conceded that using the havala system was a concession to reality: "We had to be practical," he said.



Once there were enough commercial banks in the country, NSP stopped using havala dealers. However, in 2007–08, havala dealers stepped in again when insurgent activity made it too dangerous for community representatives to travel to provincial banks to get the money and bring it back to their villages.

Following donor procurement rules, a community development council could use a single vendor for goods worth less than 25,000 afghanis, or about US\$584 based on 2003 rates. But for goods costing Afs25,000 to Afs75,000 (US\$1,752), a CDC had to get at least three quotes before awarding the contract. Similarly, for items costing Afs75,001 to Afs3 million (about US\$70,000), the CDC had to publish an advertisement in a local newspaper, inviting vendors to bid and providing details of the competition. A council could directly contract with one vendor for goods worth up to Afs3 million if there was only one supplier or only one authorized supplier. The council also could do so in emergencies or when a registered nonprofit could provide the goods at a reasonable price.

The GIZ monitored the system and submitted progress reports to the MRRD and the Ministry of Finance, which forwarded the reports to the World Bank. Some donors insisted that communities follow global accounting practices. For instance, villagers were responsible for sending original receipts for all transactions to Kabul before the GIZ could approve release of the money. Although the NSP planners did not agree, they decided to enforce the requirement. However, the process caused extraordinary delays in disbursing subsequent installments—sometimes up to two years.

### *Building support*

In October 2002, after the team had publicized the program design, many aid and humanitarian organizations protested. The NGOs' skepticism focused on three main issues.

First, the organizations said local and regional commanders still controlled parts of the country and could hijack the elections for the community development councils. Second, given religious and cultural sensitivities, some said, it was too soon to involve women in councils or as support staff. Third, NGOs challenged the direct transfer of block grants to communities, suggesting that their organizations could help channel resources to traditional leaders who would then decide how to spend the funds.

A compromise eventually emerged. The NSP designers agreed to include international organizations as facilitating partners to make people aware of the program, help convene meetings, work with villagers to determine priorities, support elections to the councils, and provide technical assistance in proposal writing, procurement, and reporting. But the NSP designers insisted the communities would choose their own projects, limited only by the requirement that the work benefit the community, not individuals. Council elections would remain a key element of the program, too. "I said to them, 'If they voluntarily elect their traditional leaders, we'll have confirmation that you're right,'" Ghani recalled. "But the source of legitimacy has to be the vote of the individual."

Still, NGOs worried that they would be held responsible if development money fell into the wrong hands after being transferred to the community. Zia said, "They were saying that this money will be wasted; it would be siphoned off and stolen by the warlords." As a compromise, Zia said, "We had to put a clause in the contracts of NGOs that if something happens, they would carry no responsibility."

By September 2003, the MRRD had contracted with 22 international organizations such as UN-Habitat; the International Rescue Committee; BRAC, a Bangladesh-based NGO; Oxfam; the Aga Khan Development Network; and CARE International to serve as facilitating

partners. Assigned to serve specific districts, each partner fostered community participation in the planning, implementation, and management of projects. (By 2013, 33 partners had come onboard. In addition to UN-Habitat, the partners included 9 Afghan NGOs, 21 international NGOs, a national firm, and an international one.) The GIZ oversaw the work of the partners while also handling overall management and supervision.

### *Establishing Community Development Councils*

Each facilitating partner assigned one or two local facilitators, known as social organizers, to approach communities and introduce the NSP concept and procedures to residents. The Afghan organizers had to have had some experience in working with communities. They could be from the area where they worked but not from the village they would serve. The facilitating partners often hired a husband and wife or a brother-and-sister team so that the female facilitator could travel with the male member of the family—in keeping with religious and social norms. Popal said: “We often could not find educated people, but the main problem was finding women. We tried our best to find a couple that could work with the male and female CDCs. But it is very difficult for us to find such a pair in every district.”

The facilitators held initial meetings with traditional leaders and key decision makers of a village to explain the program and get buy-in for a community meeting. After facilitators explained the program, community members could decide by a show of hands whether to participate.

To conduct elections for the development councils, the social organizers worked with the communities to count the number of households and then organize them into clusters. Each cluster elected a representative through a process designed to produce a council that reflected independent selections rather than allegiance to traditional leaders. The NSP did not encourage people to announce their candidacies in advance,

because the program wanted to avoid creating opportunities or incentives for powerful community members to dominate the elections. Instead, facilitators encouraged people from each cluster to gather together and write down the names of their preferred representatives on pieces of paper. Clusters voted for each representative separately. Once results were announced, the second cluster would vote, and so on.

Zia said: “The very design and methodology of the election was open and transparent for everyone. So warlords and the community leaders could also participate. If they were elected, it was as one person, not as someone in control.”

Each council elected a coordinator, a bookkeeper, and a treasurer and formed a procurement subcommittee, a technical committee, and a monitoring committee. Some councils set up additional committees for youth participation, women’s affairs, and other areas of interest.

Elections proceeded without incident in most parts of the country, even though some communities developed their own voting methods. Some said they wanted to work with the NSP but did not want to hold paper-ballot elections. Instead, they would vote by a show of hands or form queues whose size indicated how much favor a candidate enjoyed. Others indicated that they would not put women on councils, nor would they create a separate all-female CDC.

NSP leaders adopted a flexible approach in such situations and worked with experienced partners to ensure compliance with at least basic rules. Anita Anastacio of the GIZ in Kabul noted, “In the early years, elections weren’t consistent in all districts and provinces because of security, but I would say that the process was followed as much as possible.”

The council elections often produced an alternative to traditional village leadership. Generally, about a third of council seats went to younger members of the community. Women

were represented as well, although levels of representation varied across communities. Popal said that in Kandahar, with 523 elected councillors, 103, or nearly 20%, were women.

In general, traditional leaders accepted the councils and some ran for election. Palwasha Kakar, director of women's empowerment and development at the Asia Foundation, observed: "Local *jirgas* [traditional councils] did not see them as a threat. Part of it was that CDCs were thought to be development councils. The maliks saw themselves to be connected to the governors and the [formal] governance structures."

"That's not to say that some maliks did not feel threatened," added Kakar, "but the facilitating partner and the MRRD intervened to resolve the issue."

Kakar, who interviewed all of the 22 original facilitating partners and MRRD staff about elections, noted: "At the majority of the CDCs I visited, 80% of the community had been present to vote. If not, then it would not be a valid election. The facilitating partners and the MRRD were usually present to make sure the elections went properly."

Still, some observers doubted that the council elections were open and fair, given the nature of life in Afghanistan at that time. Sippi Azarbaijani-Moghaddam, who had conducted research and worked in Afghanistan for 18 years, said: "Elections are not a clean-cut, transparent process. It's not an NSP failing. It is how power is handled in communities to manipulate the elections." She continued, "When it comes to money, people don't trust each other after three decades of war. There is a huge assumption that there is trust and solidarity in communities, but they are factionalized and fractured."

#### *Training council and community members*

The facilitating partners were in charge of training the elected council members and citizenry on NSP objectives, community mobilization,

election norms and procedures, bookkeeping and procurement, and relationship building with local government and organizations. They also trained communities to develop priorities and set goals, work with constituents, and develop project plans. Some added other kinds of sessions, covering such topics as youth mentoring, leadership, human rights, the constitution, or conflict resolution.

Each partner used a standard operating manual that outlined NSP concepts and procedures. Friedrich Affolter, who worked with the United Nations Development Programme in Afghanistan and helped develop the manuals, said: "The Afghan NSP social organizers knew how to do community mobilization, and the manuals were not cookbooks but guidelines. We also had people who were new, and the manuals were helpful as long as they followed more or less the NSP letter."

To present a cogent rationale and key concepts in a way that blended well with Afghan values and norms, the team that developed the manual relied on religious and cultural contexts to explain the program to community members. Popal said: "When we were designing the training manuals, for every activity we would do we had one of the *surah* [verses] of the Koran for it. For instance, there was a verse on the importance of consultation and one on transparency. So most of the training design is based on Islamic codes, [and] people in rural areas can easily accept it. It is not a foreign idea."

NSP facilitators worked with newly elected council members to fill out procurement forms and, later, reporting forms. The partners also responded to community requests and provided training on proposal writing and financial literacy.

The most successful NGOs went beyond the basic requirements and worked with communities on education, governance, or women's councils. Some brought in engineers from local universities to work on projects and provide technical assistance for communities.

Kakar noted: “It took strong facilitating partners to build the capacity of the communities. Not all could take on the task, but many did. UN-Habitat, Aga Khan, and the International Rescue Committee did amazing work.”

The International Rescue Committee supported exchanges among CDCs so that members of different communities could share ideas. The group also worked closely with religious leaders and created a province-level Special Action Committee for Religious Affairs comprising Islamic scholars. The scholars advised the organization on religious issues and raised awareness about and endorsed the NSP.<sup>18</sup> Mercy Corps, a global aid agency, trained men first and after building trust, held training sessions for women. Over time, the group trained 10,000 men and 3,000 women in eight districts in the southern province of Helmand, with the local government providing training space.

Facilitating partners played key roles in establishing relationships with local communities. Kakar said they were most effective when partners “built links between the mullahs, maliks, and advisers and brought them in and asked for advice.”

### *Implementing projects*

NSP facilitators met with the councils and the communities to help create village development plans and individual projects. A project had to provide broad benefits for a community. Communities usually chose projects that filled basic needs and produced measurable results, such as improving drinking water and sanitation systems, roads, bridges, schools and health clinics, electricity grids, and irrigation systems.

After a community created a detailed project plan and a budget in compliance with NSP guidelines, the facilitating partner sent the proposal to the MRRD for approval and the release of funds. Where literacy and numeracy

were problems, facilitators provided support. They also helped councils procure materials and hire workers. Because the NSP hired labor locally, the program created job opportunities in the immediate area.

To monitor progress, the community elected a team of four non-CDC members to track the activities of council and community members who had responsibility for implementing projects. The four-person team kept an eye on the CDC’s financial management of the block grant and visited project sites to gauge progress. In some areas, the NSP encouraged villagers’ use of cell phones to send updates and pictures of the various stages of project implementation to area NSP offices.

Each village council held regular open meetings for keeping tabs on projects. Popal said, “Those attending the meeting were aware of what is going on, who is being hired, who is not being hired, who has favored whom, and who has not been favored.” Citizens also had access to the facilitating partner and MRRD district office for sharing information or filing complaints. Some even traveled to Kabul to report irregularities. (A conflict-handling unit was later established at the MRRD.)

Still, the system had significant shortcomings. Some NSP requirements proved to be cumbersome for communities. Popal said reporting forms were particularly problematic. “The forms of the World Bank are not very useful or practical for villages,” he said. “If the forms had been easier, the people could have done it by themselves and capacity would have been built in the villages. But facilitators filled out most of the forms. The requirement was done, but the capacity of the community was not built at the scale or the pace we wanted.”

In addition, the need to send NSP projects for approval to the MRRD office in Kabul often caused significant delays. Ghulam Rasoul Rasouli, director of operations at the NSP, said: “During

### Textbox 2a: Facilitating the NSP: The Aga Khan Development Network

In 2004, the MRRD recruited the Aga Khan Development Network to serve as one of the NSP's facilitating partners in Bamiyan, Baghlan, Takhar, and Badakhshan, located in the central and northeastern parts of the country. The network had worked with communities in these areas since 2002.

For each province, the Aga Khan Development Network created a mobile team consisting of a coordinator, a field manager, a master trainer, two social organizers, and an engineer (usually one per district). The size and makeup of the team varied and depended on local conditions. For instance, it was easier to recruit people, including women, from Bamiyan but difficult in a few districts in Badakhshan.

The Aga Khan facilitators first met with officials and traditional leaders to explain the program. They organized a local publicity campaign focused on the benefits of the NSP and helped each community develop a village development plan through visioning exercises, asking citizens to think about what they would like their village to look like in 10 years. They set out principles to help a community move toward its goals and stress-tested proposals by challenging community participants to think through the implications of different choices. In communities where literacy was a problem, the Aga Khan team worked with community members to fill out procurement and reporting forms. Team members also secured support for additional training in leadership, conflict resolution, disaster risk reduction, and other subjects.

Later, in a third phase, team members created social audit committees that double-checked finances for greater accountability and made this information available so that citizens could see how their leaders had performed.

The Aga Khan network worked to frame the NSP as a long-term program rather than a series of short-term projects. It helped community development councils think through what they could achieve through voluntary effort. Facilitators also tried to engage provincial- and district-level officials whom the NSP generally excluded. Zishan Karim, program coordinator for the organization during 2005–07, said: “We included them in workshops and other projects that complemented the NSP. Ensuring linkages between local officials and community members is fundamental for sustainability of the program.”

Facilitators who had carried out Aga Khan's humanitarian work in the past had to adjust to their new roles. Joanne Trotter, who served as head of external relations and grant management at the Aga Khan Foundation, the network's funding partner, noted: “We coached all the people who had worked with us in the past. Our staff liked helping their communities, but it took a year or a year and a half for the staff to understand that they were facilitators and not delivering assistance.” (See Textbox 2b for obstacles and results.)

NSP phase I and part of NSP phase II, all proposals were received at the provincial management units. Then all the paperwork traveled to headquarters only for further review and approval. That took, on average, three to four months and delayed the whole process. So, for one proposal to travel from Badakhshan to Kabul and then from Kabul back to Badakhshan for minor changes took maybe a year.” (Later, NSP phases II and III relied on a Web-based management system that reduced delays substantially.)

#### *Adapting the program*

Although key components of the NSP design remained unchanged, the MRRD made adjustments as needed.

In its second phase (2007–11), the NSP created a list of projects it would not fund because the projects required high degrees of technical expertise or were not easily sustainable—such as solar projects or the construction of major dams.

In addition, the NSP streamlined the reporting process by allowing forms to be handled at the community and provincial levels rather than requiring submission to Kabul. That change



reduced delays, especially regarding the release of funds.

Because a large number of projects progressed much more quickly than planners had anticipated, the program also changed block-grant disbursement to two installments of 90% and 10%—from an original disbursement in three segments. The NSP released the final 10% when a community had completed at least 70% of a project. During the third phase, the ministry decided to transfer entire block grants to community accounts after approval of each project, although councils could withdraw the money only in installments.

In 2010, recognizing and rewarding communities that showed initiative and had experience, the NSP introduced repeater grants, a second round of block grants for 12,000 villages that had used the initial round of block grants successfully. Communities that had implemented NSP projects before were easier to mobilize and generally produced high-quality projects. They

tended to contribute more than the required 10% community contribution. And they combined block grants from different villages to implement bigger projects.

On the administrative side, in 2007 the GIZ transferred program oversight to Afghan counterparts aided by two international advisers, while continuing to oversee finances.

## OVERCOMING OBSTACLES

Unanticipated problems arose as the program developed. For example, after the launch of the NSP, the MRRD struggled to manage its relationship with other ministries. And over time, competing community councils emerged, as did an even more difficult security situation.

### *Managing interministerial relations*

Not surprisingly, officials in line ministries often envied the large amounts of money that donors contributed to the NSP and bristled at the program's broad mandate. Popal said: "It became

### Textbox 2b: The Aga Khan Development Network, Challenges, & Results

Delays in fund disbursements made the work of facilitating partners harder. Under the original design, the NSP would offer communities repeated block grants. However, over a 10-year period many areas received only one and relationships between facilitating partners and communities grew strained.

The Aga Khan Development Network frequently financed the community projects while waiting for the actual disbursement of NSP funds to arrive. Trotter said, "If we had not been able to pay, the public perception would have been profoundly different."

Aga Khan also adjusted its programming based on the experience. "We looked at our first round of projects for the CDCs and projects and how they had worked," she said. "That first round took 18 to 30 months to complete because of disbursement delays and the need to train staff and to get the election processes right." The team was able to anticipate such delays in subsequent village plans and its own long-term development plan for the communities.

Despite the problems, by 2013 the Aga Khan Development Network had established 1,250 community councils across central and northeastern Afghanistan. It also developed additional programming and training to strengthen councils' capacity and role in local governance. With the foundation's support, councils carried out more than 2,000 local infrastructure and vocational training projects across five provinces, addressing community needs.

Zishan Karim, who served as a program coordinator, said: "I think that NSP has made a huge difference. Given the context, it has delivered services. It has significantly changed the lives of people and created a platform for both women and men to discuss and engage. It was very important for people to know—especially those in remote rural areas—that their government was attempting to deliver [services]."

very serious at a point, even at the cabinet level. Some of the ministers complained to the president. They said, ‘Now we have to close down our ministries because MRRD is building clinics and schools. They are doing all the other sectoral work, not only rural development.’”

Dealing with such territorial disputes required a deliberate and multipronged effort on behalf of all those who were involved with the NSP. Resolute donor support helped move the program forward while the NSP steering committee worked to resolve disputes. Aware that it needed the cabinet’s support, the MRRD worked hard to improve relations with other ministries. An important element involved educating other ministries on the aims of the program and why it was a good thing for Afghanistan.

Former finance minister Ahady said: “Cooperation from the Ministry of Finance for any ministry, especially those that have a large budget, is essential. They knew that I was a little skeptical about the nature of the program. Minister [Hanif] Atmar [of the MRRD] took me to Herat, and it helped when I saw some of their projects. They knew that the cooperation from the Ministry of Finance was very important, and accordingly, they kept very close relations with the ministry, informing us of the phases, and so on.”

### *Managing competing councils*

CDCs encountered unexpected complications when ministries, agencies, and even donors launched competing programs or development councils. For instance, in 2009, the Independent Directorate of Local Governance, a government agency responsible for governance at the subnational level, created the Afghan Social Outreach Program for districts and provinces. The outreach program aimed to build trust between citizens and the state by trying to involve traditional leaders in government.<sup>19</sup>

Adviser Lockhart noted that the Afghan Social Outreach Program “was top-down, and in time, it clashed with the bottom-up CDCs, particularly at the district level.” In addition, in 2011, the Independent Directorate of Local Governance called for the election of separate village councils because it did not want the CDCs functioning as officially elected government bodies. For their part, the MRRD and NSP’s facilitating partners pushed to designate CDCs as village councils.

The MRRD’s relationship with the directorate improved over time as it recognized that the directorate did not have the capacity to extend its reach below the district level. (In 2013, the CDCs were designated interim village councils until parliament could work to resolve the issue.)

Donors also sometimes created or financed provincial, district, and local councils that duplicated effort and competed with the NSP for community support. Established in 2002 for aid coordination, UN-supported provincial coordination bodies gave rise to more-permanent councils. Donors or provincial governors established others.<sup>20</sup> In the east and southeast, with the help of donor funding, the governors of Paktia, Paktika, Laghman, and Khost provinces established provincial-level policy and working groups.<sup>21</sup> In 2005, a working group in Kabul—with representation from the MRRD, Ministry of Interior, Ministry of Finance, Civil Service Commission, Ministry of Economy, and donors—tried unsuccessfully to find solutions to the duplication.<sup>22</sup> (See Textbox 3.)

### *Managing the NSP in unstable areas*

The Taliban did not pose a grave threat during the NSP’s first phase, possibly because program planners emphasized community-owned and -managed projects.<sup>23</sup> Kakar said: “Where the community is fully on board, NSP projects were

### Textbox 3: Conflict: Provincial Reconstruction Teams and the NSP

In 2002, the United States created and funded Provincial Reconstruction Teams (PRTs), joint civil-military teams meant to improve security, aid in reconstruction, and expand the presence of the central government in remote and insecure areas. As PRTs evolved, other countries took charge of some teams. In late 2003, New Zealand, Great Britain, and Germany managed PRTs in Bamiyan, Mazar-e Sharif, and Kunduz provinces, respectively.

PRTs worked hand in hand with the NSP in some areas, respecting the NSP process and trying to work with the CDCs. If community members agreed, the PRTs also funded projects that were part of community development plans that block grants could not ultimately cover. Zia said: “A lot of PRTs were complementary. PRTs never funded a CDC, but what they did was address some of the additional needs of the village by direct funding because PRTs were working through contractors.” Some CDCs were more open to working with PRTs than others.

But the PRTs, which were designed to fast-track local development efforts, created problems. Villagers often perceived a reconstruction team as an arm of the foreign military intervention, and they did not want to be seen working with a PRT. Palwasha Kakar, a former researcher at the Afghanistan Research and Evaluation Unit, an independent research organization in Kabul, noted: “It has gotten worse over time. People sometimes pulled back their cooperation when they had some negative experiences.”

Although some PRTs tried to avoid disrupting government programs, the military coalition forces often would clash with local leaders and the CDCs. PRT members, who included military officers, diplomats, and other experts, used armored vehicles in insecure villages, and their presence and activities created resentment among Afghan citizens.

The countries that operated PRTs all followed different procedures. The British-led PRTs were often reluctant to work with CDCs, choosing instead to work through traditional tribal structures. Richard Hogg, governance adviser at the World Bank, noted: “CDCs have tended to work much better in secure areas, as opposed to insecure areas. They were not as effective in high-risk areas, and therefore there was some rationale behind not working with CDCs.”

One of the policies of the US military became especially problematic: Because the military paid the district governments and district council members more than governments and council members at lower levels, many village councillors opted to become district councillors. When those village members left the CDCs, they created capacity gaps that undermined the village planning process and sometimes ended NSP work in that area. PRTs also pumped money into communities at a faster pace than the NSP did. Popal said, “People were saying, ‘You talk for one year and give us US\$60,000. Look at the PRTs. They come and give us funding in two months.’”

Military emergency relief funding sometimes clashed with NSP programs. PRT contractors, who were paid on the basis of output, did not know the context, often did not consult the communities, and often did poor-quality work.

In addition, many PRTs implemented projects without consulting CDCs or the communities. For instance, PRTs sometimes installed hand-operated water pumps or built schools without gauging whether a community even wanted such things. The Taliban often targeted PRT projects that did not have community backing. Popal said, “For the most part, unfortunately, PRTs undermined NSP.”

By 2013, most PRTs had closed down.

usually not attacked. When the NSP has worked to make schools, they are protected. The Taliban recognize that they have community ownership, and the projects usually are not touched.”

However, by 2006, the Taliban had begun a sustained effort to overthrow the government, the number of insurgent attacks had risen by 400%, and the number of casualties had risen more than

800%.<sup>24</sup> The Taliban targeted and killed village heads or elders and government officials. Communities stopped working on NSP projects in some areas, especially in the southern part of the country.

At the same time, the government and donors decided they couldn't leave behind remote communities that wanted to participate in the program. NSP program coordinator Zishan Karim, who moved to the World Bank in 2007 but continued working on the NSP in her new role, said: "But the communities had to want the program; otherwise, there was no point in carrying it out. The program ensured they would by asking communities to sign cooperation agreements."

The heightened violence forced planners to make significant changes to the NSP. In 2008, the MRRD and the World Bank came up with the High-Risk-Area Implementation Strategy. Planners sectioned the country according to four categories of risk: secure, insecure, highly insecure, and extremely insecure. For remote or insecure areas, such as Kandahar province in the south, the NSP incentivized facilitating partners through allowances based on seasonality, remoteness, and security.

The implementation strategy allowed employees of facilitating partners to work from district or provincial centers if it was too risky to work in the community. Training of community members on NSP procedures could take place in the relative safety of district or provincial capitals. Village elections were not mandatory, and communities could nominate CDC members. If a community did hold elections, it could decide to tally the votes door to door rather than at a group meeting. In some areas, people could also come together and agree on their representatives through consensus. Each council could have up to four representatives, and women could be excluded if the community decided to do so.

Instead of external social organizers, facilitating partners could hire someone from the village to handle NSP-related responsibilities. Popal said, "We had no choice but to trust that person because of the limited monitoring mechanism we had for insecure areas." In addition to the facilitating partners and village facilitators, the NSP allowed for third-party monitors who were paid to carry out supplemental activities. And communities were allowed to submit photographs as proof of project completion when monitors were unable to visit the site.

Working in high-risk areas required tight coordination between communities and their facilitating partners. Community members had to warn partners when it was too risky for them to visit. The partners encouraged communities to carry out all procurement in the provincial capital rather than bring back cash to their villages.

Although the high-risk strategy reached many insecure areas, its impact was difficult to measure. Karim, who traveled to high-risk areas, said: "I thought NSP worked extremely well in the more secure parts of the country. But in high-risk areas, it really cannot be called NSP given the difficulties in mobilizing communities and electing community development council members. In some of the communities I visited in Uruzgan province, there wasn't much clarity on who the community representatives were, and community members were unaware of the program. This is very different from the experience in other parts of the country where community mobilization and elections were possible."

#### *Grappling with block-grant delays*

Donor funding often failed to keep up with community project needs submitted to the NSP. Former NSP manager Mukhtar said: "Until 2006, when we had money in the account . . . we were

disbursing US\$6 million to US\$7 million a week for projects. But replenishment of donor money was happening at a slow pace. NSP was capable of spending US\$1 million a day if it had money in the account.”

NSP managers had to work around the delays. Karim Merchant, who served as NSP director of operations in 2005, said: “We learned very quickly. We kept spare cash in our account. We tried to clear all our books and contracts in the financial year. We also accounted for a two-month funding freeze that the Afghan government had, starting in March. By December, it would start slowing down all its funding. In NSP phase II, we started taking bilateral funding directly.”

Still, the delays were sometimes substantial and reflected deeper problems. Joanne Trotter, head of external relations and grant management at the Aga Khan Foundation, a funding partner of the Aga Khan Development Network, said: “Enormous money was pledged for the NSP, but it didn’t flow through predictably. Some donors were slow to pay. When funds did come in, they would often not be earmarked for NSP. And depending on the relationship between the Ministry of Finance and the MRRD, you could see conflict emerging.”

In addition, the central bank and the NSP sometimes took a long time to transmit money to community accounts. The NSP’s Rasouli said: “In NSP phases I and II, there were delays of six to eight months. We were just processing paperwork. We had thousands of projects like that waiting in the queue for money to receive the resource. That also affected the overall project cycle in terms of completion. This problem was resolved when donors committed multiyear grants for the second half of NSP II and for NSP III.” It was also difficult to find trustworthy havala dealers for areas where money could not be sent to community accounts.

Delays meant lost momentum. Popal recalled: “Once the first installment was transferred, then people could wait for two months for the second installment. You cannot keep a mason or the laborers on hire for two months until the second installment comes.” In some cases, the facilitating partners shelled out their own money while waiting for a block-grant disbursement. It also meant that the partners were sometimes not paid as part of their contract.

Block-grant delays also had an unsettling effect on the citizens at the end of the chain, as many began to doubt the credibility of the government and the reliability of international donors. Rasouli said: “During NSP I and II, we had to deal with quite a lot of people traveling all the way from the provinces, coming here screaming for their resources. At some points, they were even thinking that these commitments were just false and . . . [even] other promises that were made that will never happen.” But, he noted, “This is no longer the case now; rather, communities now travel and ask for coverage of their villages by NSP.”

Planners expressed disappointment with the lack of regular block-grant disbursement. Slated to provide block grants every two years, the NSP had provided only one grant per community in 10 years. Guggenheim, who advised the government, said: “The whole thing was predicated on regular, predictable grants [every year or at least once every three years]. It would have had more credibility and bigger impact if they extended the grant every single year. That’s what we do in Indonesia. Every single year they’ve got to be negotiating what they are going to be doing with it.”

Donors were major sources of the problem. Pay-ins to the multidonor trust fund were intermittent. Costs on the ground were higher as a result. Rangina Kargar, a member of parliament representing western Farah province, said: “There have been problems. Some big projects are started,



but the grant does not come or it comes late or maybe it gets delayed into next year. We then face challenges because the work is stopped, and they have to start again after a few months.”

Lockhart recalled the series of obstacles that slowed the NSP after the program got off to a strong start. “The early years saw considerable

momentum,” she said. “The grants were going in, and the system was established. The World Bank was being flexible and allowing us to look at alternative financial systems, like the havala system. But then the program ran into obstacles: security, fragmentation of donor assistance, rigidity at the World Bank. Payments to the

#### Textbox 4: Implementing the NSP in a High-Risk Area

In 2007, the NSP contracted with the Afghanistan Rehabilitation and Education Program (AREP), a local Afghan NGO with offices in Kabul city, Jalalabad, and seven provinces. As a facilitating partner, AREP worked in the Barmal district of the southeastern Paktika province, near the border between Afghanistan and Pakistan. Rugged, remote terrain and Taliban activity made it a high-risk area, and the region lacked critical infrastructure and services. International NGOs could not operate in the area for security reasons.

AREP hired staff locally to work in Barmal. Local hires—sometimes even tribal elders—knew their communities and could approach fellow citizens about accepting the program. These local people were able to build relationships with community and religious leaders, and citizens accepted their presence.

As a first step, AREP facilitators explained the benefits of the NSP for the communities. As in most cases, citizens generally found value in what the NSP offered them. Barakatullah Rasooli, AREP program manager, noted that even people opposed to the government, including the Taliban, had little reason to oppose the NSP: “Because most of the Taliban are also from this community, they also benefit.”

Unaccustomed to elections, community members frequently were reluctant to elect CDCs. Rasooli said, “We had to tell them that you have to elect people who will work for you.” Council members were nearly all men. Because Barmal was a high-risk area, the NSP dropped its requirement for female participation in CDCs. (Overall female participation in the program was about 5%, Rasooli said.)

Unable to conduct training in the communities, AREP facilitators provided instruction in the provincial capital, Sharana. Training included guidance on how to elect a four-member CDC, how to choose and design projects, how to procure supplies, how to manage block grants, and how to monitor project progress.

In 2007, the NSP relied on the havala system for transferring block grants to Barmal but used community bank accounts later on.

After community members identified the projects they wanted to implement, AREP staff helped them prepare plans and proposals for submission to the NSP office in Kabul. Communities often opted for dams, wells, hand pumps, roads, electricity, and vocational training for women. To track progress, AREP implementers depended on the social organizer, the CDC, and community members, as well as independent monitors. They compared the reports from these different sources to measure progress. In instances when it was difficult for independent monitors to travel, community members traveled with them. “They will go fetch the monitor—who may not want to come because of the Taliban—and take the monitor to the sites,” Rasooli said.

By 2013, about 40 communities had initiated or implemented a total of 65 projects without Taliban interference. Rasooli said: “If any project has high benefit for the community, then the Taliban cannot say anything. The Taliban cannot do anything against the community. But if a program will start without the consultation of the community, then maybe the Taliban will attack the project.”

Rasooli concluded: “This program is very helpful for the people. It gives direct benefits to 99% of the community. People select the activity, get money from the bank, purchase materials, and implement. They trust the program. That’s why they support it.”

facilitating partners began to be held up, causing delays and loss of trust.”

In 2014, the NSP aimed to cover all of the country’s districts, but donor release of funds for the NSP remained slow, making complete coverage difficult.

## ASSESSING RESULTS

Evaluating the NSP’s impact posed a number of challenges. According to its champions, the program exceeded its original goals. Zia, who later served as policy adviser, deputy director of programs, and then head of the Ministry of Rural Rehabilitation and Development, said: “It actually went beyond its original goals and astonished all of us with its success. The way the people of Afghanistan embraced NSP was not expected. They participated in the elections, came up with the contribution, and did so transparently. The biggest success was promotion of social cohesion because of a common agenda for the people.”

On the ground, NSP was one of the few programs that successfully reached rural communities. In output terms—taking into account only the number of people affected—the numbers were impressive. The program began in 2003 with 5,000 rural communities, and as it neared the end of its first phase, it had reached 10.5 million Afghans—about a third of the population—in 193 districts distributed among all of the country’s 34 provinces. By 2009, the NSP had overseen the election of more than 21,800 community development councils whose work affected 17 million Afghans. And by 2013, NSP had disbursed more than US\$1 billion in block

grants to communities, completed more than 55,000 projects, and established 32,000 councils.

The designers could also point to concrete accomplishments in many districts. Projects included microhydroelectric generators, schools, roads, irrigation and erosion-control systems, and drinking water supplies.

Proponents agreed that NSP projects were both cost-effective and of enduring quality. Popal of UN-Habitat noted: “The quality [of projects] is good. The cost is very low. And monitoring and reporting are very high.” According to the World Bank, NSP projects were, on average, 30% cheaper than those built directly by donors.<sup>25</sup> One possible reason was a higher level of local ownership and contribution. Former NSP director Ismati said, “There are examples that people contributed more than 50% from their own resources to a project.”

NSP audits reported low rates of corruption. Observers cited community contribution of 10% as one reason. Zia said, “If you and I live in the same village and you are a council member and I am not and I am required to contribute 10% of the project cost, then I will keep an eye on you because of the money.”

Mukhtar said, “In 2007, there were about 22,000 projects implemented by NSP, and we had only 16 cases of corruption.” When money was diverted, the councils and villagers weren’t always the sources of the problem. In some instances, havalas had misused the funds. (One such case led to a review of havalas guidelines by the government and the World Bank.)

Not all communities were able to use support effectively, however. The block-grant amounts often were too big for villages to absorb. Based on experience with the Community Forums Project, UN-Habitat manager Leader agreed: “For us, the US\$60,000 that was coming from the bank was far too much money in one go.” But Kakar of the Asia Foundation noted that the grant size was not too large for some communities: “It depended on the community and how the community partners

were able to train their communities [to use the money].”

The broader impact of the NSP—its capacity to improve livelihoods and build social capital—proved less easy to substantiate. Small, village-based public works projects, while helpful, may not have been able to generate the important spillover effects that infrastructure projects could offer. Ahady, minister of finance from 2004 to 2009, concluded: “It was good in terms of

Key Indicators	NSP I and II	NSP III (December 2013)*	
		NSP IIIA (1st BG)	NSP IIIB (RBG)
# of communities contracted to facilitating partners	23,180	13,975	11,844
# of communities mobilized/remobilized	20,131	11,842	10,151
# of communities with CDCs elected/reelected	20,131	11,761	10,157
# of communities with CDPs completed/revised	20,131	11,530	9,546
# of communities with subproject proposals submitted	20,131	11,289	9,107
# of communities financed (at least partially)	20,131	10,926	7,523
# of communities with full block-grant utilization	20,131	4,750	69
# of subproject proposals submitted	47,202	19,975	12,667
# of subproject proposals approved	47,202	19,975	12,667
# of subproject proposals financed (at least partially)	47,202	19,447	10,443
# of subprojects completed	46,331	9,834	124
# of subprojects closed	47,202	10,112	132
BG = block grant  CDCs = community development councils CDPs = community development plans RBG = repeater block grant  *Source: NSP Third Quarter Report (23 September–21 December 2013) <sup>i</sup>			

<sup>i</sup> Quarterly Reports 1392 (21 March 2013–19 March 2014). Accessed at <http://www.nspafghanistan.org/default.aspx?Sel=27>.

providing some services to the community, but was it something that could lead to lasting development? I was more in favor of small, medium, large projects that were more permanent, whether irrigation projects or power generation projects—things that could keep our people employed for a very long time.”

With respect to building social capital, benefits materialized but were modest in some instances and transitory in others. The NSP encouraged a new generation of leaders to step

forward, helping empower communities. Ghani, who had played a major role in the development of the NSP, said, “Roughly around 40% of the old leadership made a reappearance, but 60% was new leadership.” The program had also strengthened the role of women in governance.<sup>26</sup> A 2006 midterm evaluation of the NSP by the United Kingdom’s University of York, which focused on social capital, showed evidence of “(1) increased public faith in the system of government; (2) improved community relations; (3) improved

### Textbox 5: Variations in Implementation

Although the NSP’s basic principles remained the same across the country, there were wide regional variations in implementation.

The NSP found easy acceptance in places where the Community Forums Project and other humanitarian programs had operated. Karim Merchant, former NSP director of operations, said: “In places like Badakhshan and Bamiyan, people were working with NGOs like Aga Khan, UN-Habitat. And to move to the Community Fora and then the NSP wasn’t a great leap. There was a tremendous amount of trust when the tranche of block grants arrived. But in the south, there was always a level of mistrust. Even though we selected the best people, there was still a degree of mistrust.”

The program worked best in communities that were cohesive. In areas with higher levels of social conflict or simmering political competition, the program tended to generate poorer results. Instead of building solidarity, the NSP often had the opposite effect when the program called on communities to make collective decisions.

Security, seasonality, and remoteness affected NSP implementation. Security posed a threat to the program, especially in southern areas such as Kandahar and the eastern provinces that bordered Pakistan. In high-risk areas where the NSP was implemented, partners sometimes would have to suspend activities when staff were threatened or harmed. In such areas, elections of CDC members often were compromised, there was less time to prepare plans, and people tended to choose projects that were easy to carry out but may not have had the impact needed.

Afghanistan’s weather and topography were hurdles as well. Heavy snow or rain forced the suspension of activities, sometimes for as long as six months. Mountains and bad roads limited accessibility and hindered efforts to launch and sustain the NSP. As a result, NGOs had difficulty recruiting qualified local staff for remote provinces such as Ghôr, Nuristan, and Daykundi.

The capacity of the facilitating partners also affected implementation. Partners—such as the Aga Khan Development Network and UN-Habitat—that implemented the NSP in areas they had worked in previously did better than those that were new to the country or to the provinces they were assigned. Partners found it difficult to recruit staff in Zabul, Helmand, Nimruz, and Kandahar. MRRD head Zia agreed that NGOs with weak capacity did not perform well: “We had to cancel the contracts of some,” he said. “Partners that did not have a lot of resources—such as trained staff or multiple vehicles for transportation—experienced predictable difficulties.”

Delays in disbursement adversely affected the NSP as well. Researcher Palwasha Kakar said, “In the beginning there was a lot of hope, and communities became very enthusiastic. But as the funding dried out, they got disillusioned. And there were only a very few facilitating partners that continued to work with communities after funding dried up.”

state-civil society relations; and (4) the empowerment of CDCs.”<sup>27</sup>

A World Bank–funded large-scale impact evaluation of the second phase of NSP found that the program did not have a lasting impact. Block grants delivered a short-term economic boost to communities but had “limited impacts on long-term economic outcomes such as consumption or asset ownership.”<sup>28</sup> Further, the evaluation noted that although the program improved “villagers’ perception of the central and sub-national government as well as allied actors,” the perception weakened over time once projects were completed. NSP also worsened “perceptions by male villagers of local governance quality at endline,” although the program increased male acceptance of female participation in projects and the public role of women because of affirmative action rules.<sup>29</sup> Nonetheless, the study noted that NSP projects improved access to clean drinking water, electricity, schools, and health clinics.

Trotter, who worked with the Aga Khan Development Network, worried that the evaluation understated the program’s impact, however. “A lot of what the World Bank evaluation looked at was not what NSP was supposed to do,” she said. “Targets for the NSP on peace, conflict, gender—well, there weren’t any targets.” She added that the rhetoric surrounding the program was “too high for what US\$60,000 can achieve in a village. One of the most amazing things we saw was how much of a village development plan can be done without money.”

Former finance minister Ghani concluded: “It was a gamble to give a billion dollars to the Afghan villages. But I think it has been much more efficiently spent than any other billion dollars spent in this country.”

## REFLECTIONS

Afghanistan’s National Solidarity Program (NSP) enjoyed important successes, even though it fell short of expectations in some respects. That

it was able to accomplish some of the proximate goals the designers sought to achieve was primarily a function of four things. First, the NSP attracted high-level support from key officials, including President Hamid Karzai and Minister of Finance Ashraf Ghani Ahmadzai. The strong technical capacity of the planning team, coupled with international involvement in both management and implementation, also helped move the program forward quickly in a challenging postconflict context by facilitating learning and adaptation. The financial structure further provided a vehicle for donors to support some of the aspirations of Afghan communities. In many instances, the program was also able to build on the trust that nongovernmental organizations had built within communities before NATO action in 2001.

It took slightly over two years for the first phase of the program to reach communities, and the scope expanded gradually thereafter. However, Clare Lockhart, former adviser to the UN and the Afghan government, said: “The irony with NSP was that it was up and running before any of the so-called quick-impact programs. It is better to spend a little bit more time up front and invest in a program that can scale rather than in many different small programs.”

Despite its merits, community-driven development sometimes drew criticism in Afghanistan as well as in other countries, such as Indonesia, as a diversion from the goal of building government capacity. The program did little to strengthen the ability of Afghanistan’s government to do its job better or more efficiently. Bypassing normal government processes allowed for fast delivery of money to communities where it was needed, and the NSP’s bottom-up design enabled it to function where it would have taken time to build an official government presence. But the program operated outside the public service and employed highly paid contractors in lieu of training civil servants.



In some countries, governments eventually formalized relationships between community-driven development programs and local government systems, thereby strengthening the responsiveness and accountability of districts and provinces to citizens. But in 2013, Afghanistan

remained a highly centralized state—politically, fiscally, and administratively.<sup>30</sup> Decisions about whether and how to use the NSP and related programs to help strengthen government remained on the public agenda.



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## Timeline

1973	Mohammad Daoud Khan overthrows King Zahir Shah in a bloodless coup
1978	People's Democratic Party of Afghanistan (Afghan Communist Party) takes over the government
December 1979	Soviet Union invades Afghanistan
1992–96	Civil war in Afghanistan
1994–2001	The Taliban take control of much of the country
1995	First community forum is launched in Mazar-e-Sharif
1995–99	Forums spread to other parts of Afghanistan, totaling 33 in seven locations
1996–2001	The Taliban control much of Afghanistan, and Mazar-e-Sharif falls in 1998
1998	Eleven district forums operate in Mazar-e-Sharif
December 2001	Taliban are ousted by US-led military operation
December 2001	Bonn Agreement (Agreement on Provisional Arrangements in Afghanistan Pending the Re-establishment of Permanent Government Institutions) signed to establish the Afghan Interim Authority for governing the country
December 2001	International Security Assistance Force (a NATO-led security mission) established
11–19 June 2002	Emergency Loya Jirga convenes in Kabul
May 2003	22 community forum projects contracted for NSP
May 2003–March 2007	NSP phase I
4 January 2004	Loya Jirga adopts new Afghan constitution
April 2004	Program implementation and rollout of NSP I in 5,000 communities begin
June 2005	US\$100 million disbursed in community grants
October 2005	10,000 CDCs established
April 2007–September 2011	NSP phase II
December 2007	NSP disburses US\$400 million in 2007
March 2009	More than 21,800 CDCs established
April 2009	NSP disburses US\$593 million in 2009
June 2010	World Bank approves NSP phase III
October 2010–September 2015	NSP phase III
August 2012	30,000 CDCs established
September 2012	50,000 projects completed
October 2012	More than US\$1 billion in block grants disbursed to communities

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