



## INNOVATIONS FOR SUCCESSFUL SOCIETIES

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Interviewer: Rushda Majeed

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MAJEED: This is Rushda Majeed on the fourth of November 2013. I am in Kabul, Afghanistan talking to Mr. Ghulam Rasoul Rasouli who is the Director of Operations and now the Acting Executive Director of the NSP (National Solidarity Program). Thank you so much for speaking with us Mr. Rasouli.

RASOULI: *You're welcome Rushda and welcome to NSP and thank you for considering the NSP as one of the institutions to review in your program. Referring to your second question first—in terms of how NSP evolved since 2003—well as you might have heard about NSP, the National Solidarity Program was initiated by the government of Afghanistan together with its international partners, particularly the World Bank and the program, the mother program for NSP is the current PNPM program in Indonesia. This program was kind of copied as a community driven development program from Indonesia and was contextualized together with experts from Afghan society including Dr. Ashraf Ghani, the former ministers Hanif Atmar, Ehsan Zia, the current minister who was back then adviser to the ministry, Wais Barmak, and of course experts from the World Bank and international community.*

*It was contextualized and rolled out and the first phase into 17,000 communities. And a structure that was completely outsourced to back then called GTZ, which is now GIZ, the German organization. It was completely managed by the internationals up to 2007, which was the beginning of the second phase of the National Solidarity Program.*

*Then in terms of nationalization there were steps taken that some of the roles and responsibilities were transferred to the Afghans in terms of taking over management responsibilities and the oversight consultant remained over the advisory board to support the Afghan team.*

*Then later on in 2007, during the later stages of 2007, the program was totally nationalized and now we are in the third phase of the program. It is completely run by the Afghan development experts, only having two international advisers who are completely doing the advisory function except for the financial management aspect, which was a requirement from the donors and also agreed by the government of Afghanistan that is even right now undertaken by GIZ. It is not that GIZ was the only organization that was partnered with NSP, but through the procurement processes, competition processes, after GIZ we did have other consultants for financial management like Deloitte, like Maxwell Stamp, and now back with GIZ.*

*That is on the structure and institutional part. In terms of implementation it doesn't mean that we don't have changes. The program has been evolving in all aspects of its operations since 2003 and 2004. We did have, the program did have the opportunities to bring in corrective measures from the lessons learned on the operations, implementation of the program since 2003 and '04. Now, although we have learned a lot from what we have done in the past decade, we're still facing new challenges, new areas for improvements. I think this is natural in all development activities, particularly when you work with communities.*

*It is also related to how the communities are mobilized, how the communities know about departments, how the expectations are raised and how the needs*

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*change from communities and their priorities change as development initiatives are undertaken in those communities.*

*So with that NSP has been trying to adjust its operations and respond to at least those basic needs and requirements of the rural communities and we will continue until the end of this phase, which is September 2015. And shortly NSP, together with its partners, stakeholders will start working on design of NSP 4. So that is how NSP has been operating and evolving since 2003 in brief.*

*Now the first question which was related to my experience with NSP. I will give you a little bit of background before my engagement with NSP when I used to work as reporting officer and program officer for United Nations Assistance Mission in Afghanistan, UNAMA, that's called UNAMA.*

*I worked for the Office of the SRSG and I was responsible to compile reports from across Afghanistan from our provincial and regional offices and submit to SRSG and send also a brief copy to headquarters for SG's review.*

*What I was doing—UNAMA was functioning in two pillars—political, and development (Recovery, Reconstruction and Rebuilding). I used to receive inputs from across the country in three areas and almost like every day on the development side I kept receiving inputs only from National Solidarity Program. Then I—.*

MAJEED: Which year was this?

RASOULI: *This was 2005 and '06. It gave me an impression that maybe this is the program where I want to work, dealing with communities, addressing, identifying the needs of communities and responding to the needs of communities. Like every day when I received reports, I was compiling like—reading reports of hundreds of projects being implemented and inaugurated or handed over across the country. So I thought that maybe this is the right place where I want to go and I see my future there.*

MAJEED: Interesting.

RASOULI: *That made me think about it. I kept looking for vacancy announcements and one day I came across a vacancy announcement for Deputy and Director of Operations to which I applied and back then the position of Operations Director was an international position. The deputy position was local but there was a better candidate than me. We did go through the process and the current executive director, Mr. (Abdul Rahman) Ayubi, he managed to take the position because he was with the program since 2004. So with that background and knowledge of capacity, he had built the trust, he managed to take that position; however I was offered another position which was kind of equivalent to my position in UNAMA as Senior Program Officer in the Executive Director's office.*

*Then I did my calculations in terms of how could I better contribute directly to the communities and it took me six months though to make the decision because I was still hesitant. I never worked with the government. I was thinking how would I be able to cope with those challenges which I had heard from everywhere about working in a government organization, then I did my analysis, I finally made that decision and joined NSP as Senior Program Officer in 2007, October 2007. Working for one year in that position although I had the assurances from SRSG's*

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*office (Special Representatives of the Secretary-General) in UNAMA that they kept my position vacant for six months there just in case I changed my mind and go back. So that was also a favor from UNAMA.*

*The more I was engaged with NSP, the more I liked it and I thought that this was the right decision I made. So I worked in that position for one year and then I was offered another position for managing donor relationships as bilateral donors' manager. I worked in that position for another year and then I was offered the position of Deputy Director of Operations once the Director of Operations position was localized again and Mr. Ayubi, the current Executive Director became Director of Operations and I became his deputy.*

*The same—that trend has continued. Now Mr. Ayubi is the Executive Director and I have taken over again his position of Director of Operations and we'll see how we can move on. But I still don't regret, after spending six years, this is the first month of the seventh year, I still enjoy working, although I work more than 60-70 hours per week on average. But I still don't regret and the good team that we have built here, we think that we can do something for those local communities. That is where we are now.*

MAJEED: Can you describe to me about how the NSP office is organized? What is the structure?

RASOULI: *NSP currently has two directorates. One is the executive directorate which is mainly responsible for managing external relations, raising funds, donor relations, dealing with government organizations, agencies and ministries. Also dealing with the programs' steering committee, which is comprised of ten government ministries led by second Vice President.*

*Then on the internal side we have Directorate of Operations under which we have three units within the directorate, environmental, social and gender office. Environmental and social safeguards and gender office under one unit. Then we have field support unit and we have implementation of NSP in high-risk areas. Again, under operations and headquarters we have ten departments which were all kind of support departments including finance administration, procurement, human resource management, capacity development department, engineering support department, facilitating partners management department, and so on.*

*Then we have six regional offices, regional coordination units, then 34 provincial offices. That is the core NSP structure. However we are also at the district level we have presence to our facilitating partners which are national and international NGOs (Nongovernment Organizations) contracted to implement, to facilitate NSP implementation processes at the village level. So they have their offices at the district level from where they go into communities and villages and implement, support communities in implementation of the program in facilitation form.*

MAJEED: Has this structure changed over the years or has it always been the same?

RASOULI: *As I said, part of the evolution from 2003 was also related to structural changes in terms of changing the functions and structures. For example back in 2004 and '05, the whole NSP management was done through the oversight—.*

MAJEED: GIZ?

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*RASOULI: Yes, currently called GIZ, which was the oversight consultant; it was GTZ back then. They have the pure management and oversight support brought to the program and the regional offices, the departments were not in the current shape as right now. Then in 2007 the role of GIZ changed from oversight and management to advisory role. The same department's functions were changed. Number of facilitating partners also changed as the program rolled out into more communities. We had to hire more organizations to facilitate the program.*

*In 2010 the program was completely nationalized. The role of a number of departments also increased again because of the workload, increased workload and the function of regional offices from management changed to coordination and more functions were given—more responsibilities were given to the provincial offices in terms of approving, disapproving the financial autonomy. All proposals are being approved at the provincial; back then all the paper work used to travel from all across the country to headquarters only for the sake of reviewing and approving. That took months, on average three to four months delaying the whole process for one proposal to travel for example from Badakhshan to Kabul and then from Kabul back to Badakhshan for minor changes, it took maybe a year. Now whole process takes a day or two as NSP was able to introduce the Web-Based data management system.*

*As I said based on lessons learned and requirements, the capacity then was built in house, NSP was able to adopt and adjust and evolve accordingly and respond to those needs.*

*MAJEED: So in terms of the changes you mentioned the oversight consultant role, the capacity building has shifted. You mentioned the evolution of more authority in terms of financial decisions to the provincial teams—.*

*RASOULI: Right.*

*MAJEED: I'm trying to get a sense of some of the other changes.*

*RASOULI: Organization, as I said, that you mentioned was also a big change, a big shift. Otherwise in terms of day-to-day operations on the ground, we are currently in the sixth version of the operations manual. So the operations manual has changed at least six times and now we are working on the seventh version to bring more improvements, introduce more changes, taking into account the elements of due-diligence, accountability and transparency.*

*MAJEED: Would you be able to give me some examples of what kinds of changes have taken place in the manuals over the years?*

*RASOULI: One good example, in terms of some projects implementation was in 2003 NSP since it was a purely community demanded and driven program, when NSP went into communities the first priority for some of the communities was power generation, electricity. For that, since NSP didn't have that experience and the communities didn't have that experience as well, projects for diesel generators were approved, for quite a number of communities, thousands of communities.*

*Later on after the passage of one year or two, some of those projects were reported as not operational because communities could not afford to maintain the diesel generators and also supply fuel to run the generator despite the fact that in the plan initially it was agreed by communities that they would supply the power*

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*and then they collect a minor fee from the supply of power from each household and then that will counter the cost for maintenance. However that was not the case in many communities, in hundreds of communities. Then the first revision, NSP decided to identify some of the projects that NSP would not fund. Diesel generator projects were listed in the Negative List.*

MAJEED: Okay.

RASOULI: *We put those projects on the blacklist.*

MAJEED: Okay.

RASOULI: *That was one change. The other major change introduced, in terms of implementation of NSP in high-risk areas, was flexibility; however again that maintained the values of due diligence and transparency and accountability and consideration. We did also add a manual for gender inclusion particularly. For example in the sixth version we made the participation of 50% participation of women on the executive committee of the program. We reserved two seats out of four for women, even if initially women were not able to take those positions, the seats would be reserved and be filled on a temporary basis by men members of those communities.*

*Then other areas of nitty-gritty in terms of completion or closure of problematic communities, in terms of how to deal with the social conflicts, how the processes should or should not allow delays due to social conflicts, taking into account elements of environmental and social safeguards. And all these changes I could mention that are being incorporated as we roll out, as we face, as we come across challenges and then introduce solutions.*

MAJEED: Thank you. You mentioned the safe list and you mentioned the black listing of certain projects. My understanding is that NSP did have a list of projects that people could implement from the very beginning or was it something that—?

RASOULI: *It was an open menu and it is still an open menu except for the projects that we have listed that we would not fund.*

MAJEED: When did that change happen?

RASOULI: *In 2007.*

MAJEED: One of the other questions I had is that you mentioned earlier that there are different phases of the NSP. I was wondering how those phases are defined? Is it a difference in design? Is it a difference in—?

RASOULI: *Yes it is. The first and second phases are more or less the same because almost all communities were operating under similar circumstances and they were entitled to receive the first block grant that they were entitled to. However, in terms of NSP three, the way it was designed was we thought that the roll out of NSP three we would be able to cover the whole country including—we also thought of revisiting those communities that have already utilized their block grant and completed their projects.*

*Then we defined NSP three in two components. Component A was covering the remaining communities, same circumstances, the same block grant size, the*

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*same implementation approaches. Then Complement B was going back to the communities where those communities have already utilized their first block grant and now is the time to fund other priorities and also keep the communities engaged with the NSP. So we conducted the next round of elections, mobilization, another community development plan and that was for 12,000 communities to receive Repeater Block Grant. So in terms of repeated block grant and runs 17,700 communities for rolling out to the remaining communities.*

*The map on the wall shows the program coverage now. The blue area means covered. White means uncovered. We still have some districts where we still need to go but the reason that we could not go right now is due to insecurity. So in the next NSP, or NSP four, we make sure that we also cover these communities if the community situation allows.*

MAJEED: You mentioned there would be difference so that was phase three, that would have been 2010.

RASOULI: Yes, NSP III began from September/October 2010.

MAJEED: In terms of the communities that you went back to that had already gone through an NSP cycle, did you see any difference or any variations in how they—

RASOULI: *It was also reflected in the recently published or circulated impact evaluation of the NSP which was conducted by MIT/ Harvard and reflected also in many other independent evaluations of NSP.*

MAJEED: Sure, Stanford.

RASOULI: *Yes, and Harvard. There is a lot of difference in terms of behavior as a whole, knowledge of development, participation in all aspects of governance and development, women's participation. Women's participation has increased from back then, required 30% in NSP 1 and 2, up to 45% in communities under NSP 3. They are also involved more in political activities like there is evidence that in these communities people voted more in all rounds of elections, two rounds of presidential elections and constitutional elections, parliamentary elections. So there are significant changes in the behavior of rural communities. There are also more willing to have participation in development. There are cases of those communities being involved and receiving funds from other donors. Those were their own initiatives. Now they know how to approach other agencies to ask for support to respond to their communities' development needs. Their capacity in terms of implementation of some projects has quite significantly changed. Now they are very good to deal with identifying their needs. That is quite positive.*

MAJEED: Thank you so much for that. In one of the questions I had was in terms of block grant disbursements, and has that been changed also in terms of the tranches?

RASOULI: *Yes, in terms of the tranches, the disbursements, approaches, yes. NSP 1 and part of NSP 2 the schedule was 40, 40 and 20. It was transferred, disbursed through three installments. And that in the middle of NSP 2 because of the long delays and sometimes shortage of funds, delays in terms of communities receiving their block grants, sometimes NSP also faced shortage of funds and NSP donors used to commit funds but not pay.*

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*Then NSP decided to disburse in two tranches, 90% and 10%. The 90% was the first tranche and 10% was again subject to physical progress of at least 70%. And then once 70% physical work progress was verified, the second installment was released.*

MAJEED: When did that change happen?

RASOULI: *In 2007, '08 and then it continues.*

MAJEED: The second phase also continued. And has that made a difference?

RASOULI: *Yes, the NSP since 2007 did not face huge problems, financial problems in terms of shortage of funds. But once occurred in 2007 though, but the following years we always had sufficient funds. But in terms of quick delivery and completion of sub projects, that had significant effect on the whole project cycle.*

MAJEED: And the disbursements—were disbursements delayed to the local communities and what would be the reasons for it. It seems that you already had the pull of resources except in 2007.

RASOULI: *Yes. There are some instances they transfer physical cash from, for example, from the Afghanistan Bank into the provincial centers, the provincial branches. That was also a challenge. It took months. Even though on papers the transfer was made, the physical transfer was not happening. If that was the question?*

MAJEED: Sure, so that was one reason for delays in terms of getting money out to the local communities. Would it also be delayed because of reporting requirements? Because of any other—

RASOULI: *You mean the availability of funds into NSP?*

MAJEED: At the local level?

RASOULI: *At the local level—? No, that was mainly due to nonexistence of funds at the program level. Donors had—we had commitments from donors based on how much we approved projects. We contracted facilitating partners; however we were waiting for the money to be paid by donors and then we could channel the resources. So there were delays, like up to six months, eight months,. We were just processing paperwork. We had thousands of projects piled up waiting in the queue for money to receive and be disbursed. That also affected the overall project cycle in terms of completion. Back then each community was supposed to complete to 100% due to their entitlements in two years but because of delays in processing paper work and funds availability the cycle was extended to up to more than four years – through provision of cost or no-cost extensions to some FP contracts because of the delays beyond control of NSP and its FPs.*

MAJEED: Which years would these be?

RASOULI: *I remember 2007 when I first joined here we did have that experience, we had thousands of projects piled up and I heard that we also had that experience in 2006, 2005 and '06. That was mainly due to donors committing on yearly basis. Then we also negotiated that we should have multi-year commitments from donors. The multi-year commitments significantly helped us plan properly and deliver in timely manner.*

MAJEED: Did the delays, in your opinion affect legitimacy of the program in the eyes of the—?

RASOULI: *Of course it did. We had to deal with quite a number of people traveling all the way from their provinces, coming here screaming for their resources. At some points they were even thinking that these commitments were just false like other promises that were made but never reached to implementation stage.. They were kind of protesting that we allowed a woman for example to get out of homes, and now that there are no resources we look bad in our communities. The villagers said that we identified our needs, we went through elections, we did all these things but yet we are not being paid. What is happening? Then we had to explain the whole situation. Some of them were convinced, some of them they had to go back with angry faces. But we had to deal with those. Now, everything is smooth though at the operational level.*

MAJEED: Sure. Thank you. In terms of the MRRD's relationship with the Ministry of Finance, I'm wondering what kind of relationship reporting requirements or reports you had to give them in terms of them being able to discuss money for the community bank partners?

RASOULI: *We, during the first phase of NSP and the second, it was agreed what still continues; it was agreed between donors and the Minister of Finance on behalf of the Afghan government that the NSP would operate float accounts. A float account is an account that is still managed by external financial management agent, outsourced. Back then it was managed by GTZ. So all the money from donors—for example, if it was money coming through the Afghanistan Trust Fund, Reconstruction Trust Fund (ARTF), it was allocated to NSP, a certain amount. Then it was channeled through—approved by Minister of Finance and was disbursed through the float account in the form of Advance payment to NSP. That float accounts had the capacity of absorbing around 80 million dollars.*

*Then the financial management agent has the right to disburse from the float accounts (operations & block grant) on the basis of the paperwork that is processed through NSP offices and the community project proposals. Once the proposals are approved the financial management agent is disbursing, injecting into the community bank accounts. That is through the central bank.*

*Then the FMA is responsible to combine the reports, prepare Statement of Expenditures (SoEs) submit to the MRRD Finance and MRRD Finance process it through the Ministry of Finance, it goes back to the World Bank client connection and expended funds are replenished. So this is the cycle.*

MAJEED: And it still continues this system?

RASOULI: *It still continues.*

MAJEED: Sure.

RASOULI: *But we are not sure how long we can survive under those circumstances. If that mechanism changes, we also don't know how the Ministry of Finance will be able to respond to that requirement. We hope for positive changes but we don't know.*

MAJEED: Sure, thank you. Related to that, what is the relationship of the MRRD in general to other ministries and NSP in particular because sometimes the projects come through that may require education, health and so on. So I was wondering what the relationship would be with other ministries?

RASOULI: *As I mentioned, the NSP is chaired by a steering committee with ten ministries including sector ministries of health, agriculture, education, ministry of water and energy, Ministry of Interior Affairs, even IDLG, Ministry of Finance. All of the Ministries—Ministry of Women's Affairs. are part of this committee. They approve policies for NSP implementation.*

*The relationship is good apparently; however sometimes there is always competition in terms of receiving resources, funds. Of course since NSP is now a flagship program of the government and also favorite of donors, NSP always receives more funds than even some of the ministries.*

MAJEED: That is difficult. It is a good situation to be in one way but also a difficult situation in terms—

RASOULI: *Politically it is a difficult situation. But they go forward, the strong support NSP has had in the past was having strong ministers in the leadership which could deal with those situations and protect the program. It still becomes the favorite baby for everyone.*

MAJEED: In terms of the facilitating, I don't know if we have more time—?

RASOULI: *I just received a note that I have another meeting.*

MAJEED: Okay, do you have time for a couple more questions?

RASOULI: *A few minutes.*

MAJEED: On the other side are the donors. I was wondering what kind of relationships and how would you manage those relationships, especially if you're thinking of other countries and how they would want to learn from how you've dealt with the donor community.

RASOULI: *From MRRD's perspective?*

MAJEED: No, from the NSP perspective.

RASOULI: *Well NSP, honestly I'm telling you in the donors' community maybe they don't have an alternative to be engaged with communities. The only program, successful program that responded to the needs of communities, villages, at the grassroots level of this big coverage was NSP. We have since 2007 I do remember that I work on a couple of proposals asking for bilateral funds, otherwise we always were overloaded with requests from donors to accept their funds and spend it through this and we still honor that situation. That is why since 2007 we have never suffered from not having financial resources, particularly since 2010, with NSP 3. Although we currently have some shortages of maybe around 300 more million to complete NSP 3, however we do have assurances from our donors that once we exhaust these commitments in the later months then we will receive that.*

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*It was the elements of transparency, accountability and real community-driven development initially that made NSP distinguished from other programs.*

MAJEED: What is your plan for facing or moving forward? Are there any major changes that you're thinking about in terms of the program?

RASOULI: *We do have our analysis and we do think that also in line with the transition decade, words that we hear about budget cuts and limited resources, we need to adjust our mechanisms as well. We do have other options; however the World Bank has also contracted recently firms to conduct an institutional review of the program. Once we have that study we might be in a better position to take the decisions forward. That is why we have still not begun discussing changes in the NSP 4. We are waiting for results of this study and also a couple of other studies that are already being done, to compile all those results and see where we are and where we need to go.*

MAJEED: Thank you so much.