

# **Evaluation of CPD Outcome 6: Diversified Livelihoods, Private Sector Development and Public-Private Partnership**

**United Nations Development Programme  
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# Table of Contents

<b>Executive Summary .....</b>	<b>6</b>
<b>Section 1: Introduction, Purpose and Methodology of the Evaluation.....</b>	<b>10</b>
1.1 Background to the Evaluation:.....	10
1.2 Purpose and Objectives of the Evaluation: .....	10
1.2.1 Purpose .....	10
1.2.2 Scope and objectives.....	11
1.3 Organization of the Evaluation: .....	12
1.4 Methodology:.....	12
1.4.1 Methodological approach .....	12
1.4.2 Evaluation framework .....	13
1.4.3 Evaluation design and method.....	13
1.5 Format of the Report:.....	16
1.6 Limitations: .....	16
<b>Section 2: Introduction to Outcome 6 -Programme Context and Content.....</b>	<b>17</b>
2.1 The Programme Context and Objectives: .....	17
2.1.1 Overview.....	17
2.2.2 Key elements of context underpinning the outcome 6.....	17
2.2 Implementation Modality and Management: .....	19
2.3 Resources: .....	20
<b>Section 3: Evaluation Findings – Key Outputs in relation to Outcome 6.....</b>	<b>22</b>
3.1 National and Sub-national Capacity: .....	22
3.1.1 District Development Assemblies .....	22
3.1.2 MoWA and Provincial Women’s Development Councils.....	24
3.1.3 Afghanistan Peace and Reintegration Programme (APRP).....	25
3.2 Livelihoods and Private Sector Development:.....	26
3.3 Partnerships and Collaboration: .....	29
<b>Section 4: Evaluation Findings – Assessment against Evaluation Criteria .....</b>	<b>30</b>
4.1 Relevance:.....	30
4.1.1 Local needs and national priorities .....	30
4.1.2 Vulnerability and poverty .....	31
4.1.3 Changing context and emerging issues.....	32
4.2 Effectiveness: .....	33
4.2.1 Overall results and outcome .....	33
4.2.2 Limitations and challenges .....	35
4.2.3 Comparative advantage and partnership.....	36
4.2.4 Programme design and outcome tracking.....	36
4.3 Efficiency:.....	38
4.3.1 Programme resources and delivery.....	38
4.3.2 Value for money .....	39
4.3.3 Quality assurance, monitoring and evaluation (M&E).....	40
4.4 Sustainability:.....	41
4.4.1 Ownership by the Government .....	41
4.4.2 Exit strategy .....	42
4.5 Cross-Cutting Issues: .....	43
4.5.1 Gender equality.....	43
4.5.2 Human rights based approach (HRBA).....	43

**Section 5: Overall Conclusions on Performance, Lessons and Recommendations**

.....**44**  
5.1 Progress on Outcome: ..... 44  
5.2 UNDP’s Strategic Positioning in the Changing Context: ..... 46  
5.3 Lessons for Future:..... 47  
5.4 Recommendations:..... 48

**Tables and Figures:**

Table 1: Timeframe and geographical scope of various projects under outcome 6..... 11  
Table 2: Details of interviews and site visits conducted by the evaluation team..... 14  
Table 3: Project budgets and expenditure ..... 20  
Figure 1: Theory of Change (TOC)..... 21  
Figure 2: NABDP investment (US\$ millions)..... 32

## Abbreviations

ADR	Assessment of Development Results
AGE	Anti Government Element
AICB	Afghanistan Innovative Consultancy Bureau
ANDS	Afghanistan National Development Strategy
APRP	Afghanistan Peace and Reconciliation Programme
AREDP	Afghanistan Rural Enterprise Development Programme
AREU	Afghanistan Research and Evaluation Unit
ASOP	Afghanistan Social Outreach Programme
CDC	Community Development Committee
CIDA	Canadian International Development Agency
CO	Country Office
CPAP	Country Programme Action Plan
CPD	Country Programme Document
CSO	Civil Society Organization
DAIL	Department of Agriculture, Irrigation and Livelihoods
DCC	District Coordination Council
DDA	District Development Assembly
DFID	Department for International Development
DIAG	Disbandment of Illegal Armed Groups
DOWA	Department of Women’s Affairs
EVAW	Elimination of Violence Against Women
FGD	Focus Group Discussion
GEP	Gender Equality and Empowerment Project
GIRoA	Government of Islamic Republic of Afghanistan
HRBA	Human Rights Based Approach
IDLG	Independent Directorate of Local Governance
IEC	Independent Election Commission
KII	Key Informant Interview
M&E	Monitoring and Evaluation
MAIL	Ministry of Agriculture, Irrigation and Livelihoods
MDG	Millennium Development Goal
MHP	Micro Hydro Power plant
MOF	Ministry of Finance
MoWA	Ministry of Women’s Affairs

MRRD	Ministry of Rural Rehabilitation and Development
NAPWA	National Action Plan for Women in Afghanistan
NGO	Non Government Organization
NRVA	National Risk and Vulnerability Assessment
NSP	National Solidarity Programme
OECD/DAC	Organization for Economic Cooperation and Development/Development Assistance Committee
O & M	Operations and Maintenance
PPC	Provincial Peace Council
PSNP	Productive Safety Net Programme
PWDC	Provincial Women’s Development Council
RED	Rural Enterprise Development
RED-HELM	Rural Enterprise Development – Helmand
RED-KAN	Rural Enterprise Development – Kandahar
RRF	Results and Resources Framework
SAARC	South Asian Association of Regional Cooperation
SME	Small and Medium Enterprise
SMSU	Strategic Management Support Unit
SNG	Sub National Governance
TOC	Theory of Change
TOR	Terms of Reference
UNCDF	United Nations Capital Development Fund
UNDSS	United Nations Department of Safety and Security
VSLA	Village Savings and Loans Association

## Executive Summary

The UNDP Country Programme Document (CPD) for Afghanistan for 2010-2014 is designed to promote stabilization, state building, and democratic governance, and reflect the development priorities of the Afghanistan National Development Strategy (ANDS) and the United Nations Development Assistance Framework (UNDAF). Under the CPD, UNDP Afghanistan works to contribute towards achieving six development outcomes.<sup>1</sup>

This is the report of an independent outcome evaluation of CPAP's Outcome 6: increased opportunities for income generation through the promotion of diversified livelihoods, private sector development and public-private partnerships.

The evaluation was conducted during September-October 2013 by a team of three independent international consultants, using a mixed-method approach to draw findings on achievement of the outcome using five key criteria based on UNDP's evaluation framework: Relevance, Effectiveness, Efficiency, Sustainability and Cross-cutting issues.

### Main Findings:

Several activities under outcome 6 have contributed significantly to creating and strengthening participatory structures like District Development Assemblies (DDA), Provincial Women's Development Councils (PWDC) and Provincial Peace Councils (PPCs). Though not all the shift can be attributed to UNDP or its work on outcome 6, these structures have certainly made a significant contribution. Going into the future, UNDP needs to make sure that the principles, practices and lessons from these are brought to bear on any formal structures that are developed at national and provincial levels.

An important outcome has been a gradual acceptance by communities and male-dominated power structures in provinces and districts of women's participation in economic activities and local governance.

The contribution of the programme towards government's capacity for poverty reduction and private sector development has been small, partly due to the fact that the focus of the largest programme has been on infrastructure development, whose contribution to the outcome remains unproven. Interventions under outcome 6 for private sector development are yet to demonstrate their effectiveness in terms of increased opportunities for income generation and diversified livelihoods. Poverty reduction and private sector development for economic growth need to be seen as two different, though complementary, aims in programming terms. UNDP needs to enable the Government of Islamic Republic of Afghanistan (GIROA) at both central and provincial levels to focus on poverty and vulnerability, issues which have not received the primacy they deserve in the country's policy-making.

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<sup>1</sup> *Outcome 1:* Capacity in state and non-state institutions increased to contribute to overall stabilization and peace-building. *Outcome 2:* Effectiveness of the justice system is improved and access to justice is increased. *Outcome 3:* The state has improved ability to deliver services to foster human development and elected bodies have greater oversight capacity. *Outcome 4:* The state and non-state institutions are better able to promote democratic participation and be accountable to the public. *Outcome 5:* Capacities of national and local governance bodies are improved for better natural resource and disaster risk management. *Outcome 6:* Increased opportunities for income generation through the promotion of diversified livelihoods, private sector development and public-private partnerships.

## Detailed Findings:

### Relevance:

The programmes under outcome 6 have been relevant in the context of local needs and national priorities, although some of the activities and projects have been weak in terms of directly addressing the needs of the poor and vulnerable.

The pro-poor policy development and reaching out to vulnerable women through the Gender Equality Project (GEP), and small and medium enterprises (SME) and livelihoods development through the rural enterprise development (RED) projects, are contributing directly to the outcome and hence are relevant. Relevance of the National Area Based Development Programme's (NABDP) infrastructure component has been mixed as the key assumption that community infrastructure will facilitate increased opportunities for productive and private sector development has not been validated.

### Effectiveness:

The evaluation found that the overall contribution to Outcome 6 of the programmes supported by UNDP has been modest so far, and potential exists for significant enhancement of their effectiveness in future, based on lessons from the past four years. The outcome statement's emphasis on livelihoods and private sector development fails to capture many of the development results related to gender and governance.

### Efficiency:

Besides security conditions and access issues, cumbersome bureaucratic procedures, weak monitoring of outcomes and lack of focus on value for money have contributed to delays and sub-optimal performance in programme implementation in several instances.

### Sustainability:

Lack of clear exit strategies and the rapidly changing aid and development context in Afghanistan have implications for sustaining the results of several of the programmes for which the government is yet to develop ownership.

### Cross-cutting issues:

While UNDP has made good progress in taking forward gender issues through its programming under the outcome 6, adequate attention has not been paid to equity issues and targeting based on criteria of poverty and vulnerability.

## UNDP's Strategic Positioning in the Changing Context:

The country is going through significant changes in its aid, development and political context. Development programmes in the coming years will take place in the context of lower economic growth and reduced international assistance. This changing context also offers an opportunity to refocus the development agenda on poverty. UNDP's distinctiveness globally is its ability to set the agenda for MDGs and pro-poor development, although not much of this has been demonstrated in Afghanistan context so far.

The coming planning process offers UNDP an opportunity to reclaim its leadership on policy and programming focused on poverty and vulnerability. Its credibility with government and perceived neutrality are strengths to build on. The link between poverty, disasters and conflict



is another critical issue in the Afghan context. This is also one of the strategic priorities of UNDP globally. UNDP is in a unique position to bring its global expertise in disasters, conflict management and peace building.

### Lessons for the Future:

There are several important lessons for future programming that emerge from this evaluation:

1. The theory of change needs to be strongly aligned to the intended outcome which means that the activities, outputs and programmes which form the foundation of the outcome need to be coherent and in congruence with each other. The weaker the alignment, the more difficult it is to monitor and assess the contribution of various activities to the outcome.
2. In a country where chronic under-investment and limited carrying capacity of markets is a problem, developing the private sector has its own limitations in terms of its ability to contribute to poverty reduction. Poverty reduction and private sector development for economic growth need to be seen as two different, though complementary, aims in programming terms.
3. For rural livelihoods programme to be successful, key elements of success include: (i) selection of local skill-based activities which produce for local markets; (ii) producers directly linked with local markets; and (iii) regular monitoring and support by project staff.
4. The group savings and loan model developed under the RED-Kandahar project provides financial access to the poor for diversifying livelihoods and, as a model, has potential for further development and replication.
5. The poorly coordinated projectized approach to development assistance which are not integrated in the line ministries cause duplication in structures, thus adversely affecting the factors for ownership and sustainability of outcomes.

### Recommendations:

#### *Strategic*

- R1: Undertake a review of country office's capacity for senior level leadership on programming focused on poverty and exclusion, with knowledge management capacity to draw on experiences and good practices from other countries and UNDP programmes globally, and put in place appropriate team structures for evidence-based policies and programming for addressing poverty, vulnerability, disaster risks and conflict.
- R2: UNDP needs to make a switch from acting predominantly as a funding mechanism for projects to the role of a strategic adviser and partner to the Government with ability to engage the latter on evidence-based policy making focused on poverty-alleviation and MDGs.
- R3: Develop partnership with NGOs who have expertise in livelihoods and group financing model to scale up the rural savings and loans model currently implemented in one of the projects (RED-KAN), and working with UN Capital Development Fund (UNCDF), develop regulatory framework for rural banking
- R4: UNDP to lobby GIROA at appropriate levels to ensure that when the District Coordination Council (DCC) policy is approved and implemented, the principles and

good practices put in place by DDAs are incorporated into district governance.

***Project management***

- R5: Review NABDP's positioning vis-a-vis outcome 6 given that bulk of NABDP's current focus is on areas which make only peripheral contribution to this outcome.
- R6: NABDP's work on micro-hydro power projects may have potential for future expansion to provide a viable energy source to rural households, but UNDP/NABDP needs to undertake an impact assessment of this initiative before embarking on an expansion of this activity.
- R7: Undertake a systematic outcome assessment of GEP programme in the next one year, and based on the lessons learned, scale up the programme to reach a substantially larger number of communities.

***Strengthening outcome focus***

- R8: UNDP needs to define outcome indicators in terms of changes in behaviour (access to loans and government services, food security) and relationships (participation, partnership, capacity) of the projects' institutions and beneficiaries.
- R9: Reinforce staff capacity for outcome monitoring, rights-based programming, and in providing strategic programme support to project and implementing partner staff.

## Section 1

# Introduction, Purpose and Methodology of the Evaluation

### 1.1 Background to the Evaluation:

The UNDP Country Programme Document (CPD) for Afghanistan for 2010-2014 is designed to advance and deepen the progress made in the previous cycle (2004-2009) in promoting stabilization, state building and governance, and strengthening democratic institutions in the country. It reflects the national development priorities articulated in the Afghanistan National Development Strategy (ANDS) and the United Nations Development Assistance Framework (UNDAF) priorities. Under the CPD, UNDP Afghanistan works to contribute towards the achievements of six development outcomes,<sup>2</sup> of which development of livelihoods, private sector and public-private partnerships constitutes an important focus under the outcome 6.

As per the monitoring and evaluation (M & E) plan outlined in the CPD and subsequent Country Programme Action Plan (CPAP), an independent outcome evaluation is required to be conducted to assess UNDP's contributions towards the progress made on outcome achievements. In fulfillment of this requirement, this evaluation was undertaken during September-October 2013 by a team of three independent international consultants.

This report presents findings and conclusions of the outcome evaluation.

### 1.2 Purpose and Objectives of the Evaluation:

#### 1.2.1 Purpose

The purpose of this evaluation is to take stock of UNDP's contribution towards poverty reduction, sustainable livelihoods, and achieving MDGs as envisaged under the Outcome 6 in the CPD and CPAP, and draw lessons which will inform planning, design, and formulation of the new Country Programme Document for UNDP Afghanistan for the period of 2015-2018. The evaluation will examine the progress made and challenges faced in the course of implementation over the last four years of current CPD with a view to derive lessons for continuous improvement in the implementation of the programme over the remaining period of its duration.

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<sup>2</sup> *Outcome 1:* Capacity in state and non-state institutions increased to contribute to overall stabilization and peace-building. *Outcome 2:* Effectiveness of the justice system is improved and access to justice is increased. *Outcome 3:* The state has improved ability to deliver services to foster human development and elected bodies have greater oversight capacity. *Outcome 4:* The state and non-state institutions are better able to promote democratic participation and be accountable to the public. *Outcome 5:* Capacities of national and local governance bodies are improved for better natural resource and disaster risk management. *Outcome 6:* Increased opportunities for income generation through the promotion of diversified livelihoods, private sector development and public-private partnerships.

## 1.2.2 Scope and objectives

Key projects which were designed as part of the CPAP to contribute to outcome 6 were as follows (Table 1) and these provided the primary source of data for this evaluation. The evaluation gathered data on these projects which were, as per UNDP’s documents and terms of reference (TOR) for this evaluation, directly contributing to the outcome 6 and examined aspects of the projects’ performance insofar as they related to the outcome. The time-frame and geographical scope of the projects under the outcome 6 (as stated in the TOR<sup>3</sup>) are as follows:

**Table 1: Timeframe and geographical scope of various projects under outcome 6**

Project	Time-frame to be covered		Geographical areas covered by the projects
	<i>From</i>	<i>To</i>	
National Area Based Development Programme (NABDP)	2009	present	34 provinces; 388 Districts
Gender Equality Project (GEP)	2009	present	Bamyan, Balkh, Herat, Nangarhar, Kabul provinces
Rural Enterprise Development Programme in Kandahar (REDKAN)	2010	present	Kandahar province
Rural Enterprise Development Programme in Helmand (REDHELM)	2010	present	Helmand province
Afghanistan Peace and Reintegration Programme (APRP)	July 2010	present	32 provinces

As outlined in the TOR, lessons and findings from the outcome evaluation will feed into the forthcoming Assessment of Development Results (ADR) for Afghanistan as well as provide inputs for future direction of the country programme, specifically focusing on MDG and poverty alleviation related outcome.

The evaluation assessed the overall performance against outcome indicators in the CPAP Results and Resources Framework and identified and analysed the external and internal factors that contributed to or hindered project implementation and outcome, and drew lessons from these. The evaluation has, based on its analysis and findings, commented on indicators, as appropriate. Towards this end, the evaluation had the following specific objectives:

- a) Assess the extent to which the planned outcome and the related outputs have been, are being achieved, and likely to be achieved by the end of 2014, and suggest any course correction that may be necessary.
- b) Examine and comment on the causal linkage (Theory of Change) by which outputs contribute to the achievement of the specified outcome.
- c) Comment on factors that facilitate and/or hinder progress in achieving the outcome, both in terms of the external environment and those internal to the portfolio

<sup>3</sup> Besides these projects, there was an additional project – National Institution Building Programme – which was also listed as contributing to the outcome 6. However, as explained in the inception report (IR), this evaluation dropped this project from its scope for the reasons articulated in the IR.

interventions including: weaknesses in design, management, human resource skills, and resources.

- d) Analyze the extent of engagement of institutions and stakeholders in the project, and assess the strategic partnerships and linkages created by the project.
- e) Comment on the strategic value addition and comparative advantage of UNDP in contributing to the outcome vis-a-vis similar work implemented by other partners and stakeholders.

### 1.3 Organization of the Evaluation:

The evaluation was commissioned by the UNDP country office (CO) in Afghanistan and managed by the Results Management Specialist of Strategic Management Support Unit (SMSU) attached to the programme department. Through an international recruitment process a group of three independent consultants were selected and tasked to carry out the evaluation. The field visit for the evaluation took place during 14 September to 10 October 2013. The SMSU team provided support in arranging meetings and interviews, field visits and ensured that the evaluation team had access to necessary documents.

#### **The evaluators and declaration of any bias:**

*Abhijit Bhattacharjee* is an independent evaluation and strategy expert with over twenty-nine years of senior management and consulting experience in international organisations in various parts of the world. With extensive experience in NGOs, the United Nations, Government aid agencies and Red Cross/Red Crescent Movement, he has carried out short-term consulting assignments for UNDP (and other UN agencies) from time to time, but has never sought or occupied any full- or part-time staff position in any of the UN agencies, and had not worked with or for UNDP Afghanistan in the past.

*Dale Posgate* is an independent consultant based in Canada, with over twenty years' experience including short-term and long-term contracts with CIDA and international NGOs. His assignments have focused on monitoring and evaluating rural development projects in south and southeast Asia. This is his first assignment with UNDP Afghanistan or any other UN agency.

*Henny Andersen* has more than 30 years of experience of working in development cooperation. She has led and/or participated in many evaluations of government and civil society projects/programmes within a broad range of sectors, applying human rights based and gender responsive perspectives. She has previous experience of working in Afghanistan, but has never sought or occupied any full- or part-time staff position in any of the UN agencies, and has not worked with or for UNDPD Afghanistan in the past.

Following a series of initial briefings and meetings in Kabul and prior to the commencement of fieldwork, the evaluation team produced an inception report<sup>4</sup> outlining key elements of the evaluation approach, framework and methodology which were agreed with the CO and relevant stakeholders. In the fieldwork phase, the evaluators travelled to several provinces to gather data from an extensive range of sources, including provincial and district government authorities, beneficiary communities, various project staff and implementing partners directly contributing to outcome 6. A full itinerary of the evaluators is given at Annex 3. At the end of the field visit an exit debrief were conducted in Kabul with UNDP (and project) staff and management, where the team presented preliminary findings, following which draft reports were circulated for comments and further validation before the report was finalised.

### 1.4 Methodology:

#### 1.4.1 Methodological approach

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<sup>4</sup> Attached as Annex 2.

The overall methodology was based on both inductive and deductive approaches using qualitative data gathered through a mixed-method approach from a carefully selected range of sources as indicated below.

The data collection for this review was mainly done through purposively selected key informant interviews (KIIs), semi-structured discussions, documents research and carefully structured focus group discussions (FGDs) with local authorities and communities in selected provinces (Kabul, Panjsher, Balkh, Samangan, Kandahar and Herat) which were visited during the evaluation. The evaluation also used data from documents made available by UNDP and different projects.

### 1.4.2 Evaluation framework

The evaluation used performance indicators in the logframe (results and resources framework) to answer the key questions detailed in the TOR. The specific criteria used by the evaluation are the following ones based on the OECD/DAC criteria<sup>5</sup> for evaluation of development projects:

*Relevance*: examine the extent to which the project is contributing to local and national development priorities;

*Effectiveness*: assess the extent to which project objectives have been achieved and are likely to be achieved in the remaining period of the project;

*Efficiency*: comment on the value for money and cost-effectiveness of the project;

*Sustainability*: assess the likelihood of the project-supported interventions to continue to deliver benefits for an extended period of time beyond the project duration.

*Cross-cutting issues* namely, gender equality, a rights-based approach, and human development

Key evaluation questions, sources of data and methods of gathering these are detailed in the inception report (Annex 2) attached with this report.

### 1.4.3 Evaluation design and method

The evaluation used outcome-mapping approach whereby the emphasis was on assessing *changes in behaviour* (functioning), relationships (participation, partnership, inclusion and exclusion), actions or activities of people, groups and institutions with which the various projects work directly, instead of *changes in state* (reduction in percentage of people below poverty, for example). This was thought to be appropriate as most of the activities under various projects related to outcome 6 were still in the process of implementation or various stages of completion and change-in-state-effects were yet to be realized.

#### Key methods

(i) *Sampling methods*: For key informant interviews and documents research, the evaluation used purposive sampling – i.e selection of these sources of data based on an informed judgment by evaluators on their ability to contribute relevant data to answer the evaluation questions. For site visits and primary data-gathering from districts and communities, selection

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<sup>5</sup> OECD/DAC. *DAC Criteria for Evaluating Development Assistance* ([www.oecd.org/dac/evaluation](http://www.oecd.org/dac/evaluation)), 2002.

of exact locations was made on the basis of the following combined criteria:

- Relatively secure and accessible areas, as determined by UNDSS
- Provinces and districts which were implementing both Gender Equality and Empowerment Project (GEP II) and National Area Based Development Programme (NABDP)
- Provinces which have UNDP’s direct presence (through regional/provincial offices)
- Provinces which have a high concentration of completed activities/projects under the outcome 6.

Full details of site visits and activities seen by the evaluation team are provided in detailed itinerary of the evaluation team (Annex 5) attached to this report.

*(ii) Baseline/counterfactual:* The evaluation used existing data from CPDs, CPAP, relevant evaluations conducted before 2009-2010 and, where substantive baseline data did not exist, the evaluation team attempted to retrospectively reconstruct baseline through semi-structured discussions with stakeholder groups and communities in provinces, districts and communities. The baseline served as counterfactual for drawing evidence-based conclusions on changes (in behaviour, relationship and actions/activities) brought about by the projects.

*(iii) Data analysis and attribution:* In the programme interventions under outcome 6 (increased opportunities for income generation, diversified livelihoods, private sector development and public-private partnerships), changes are not linear and may not be attributable to one specific intervention, but will rather be a culmination of multiple interacting factors some of which may have been contributions made by external organizations/factors which were not included in the original programme design. The evaluators analyzed data to obtain a fuller picture of how change was being catalyzed and understand contributions made by UNDP in particular.

*(iv) Key methods and sources of data:* The evaluation conducted key informant interviews, semi-structured interviews (SSI) and group discussions with the stakeholders – UNDP staff, senior and mid-level government officials in Kabul and provinces, community members, beneficiary communities, other UN agencies and selected NGOs. The following table shows the breakdown of primary data sources (key informants, FGDs, semi-structured interviews and site visits) in different locations during the fieldwork:

**Table 2: Details of interviews and site visits conducted by the evaluation team**

Primary data sources	Kabul	Region	Total
UNDP staff	12	5	14
Government staff	4	3	7
Provincial and district Councils/Assemblies	-	14	14
Project staff	22	22	44
Other UN staff	7	1	8
Other Agency staff	7	4	11
Beneficiaries			
Individual interviews		30	30
Sites/Focus groups		31	31



A full list of all interviews is provided at Annex 4. In addition, two donors who were contacted chose to offer their inputs through email response to a set of questions.

v) *Documents*: Key documents were used to supplement data gathered through KIIs and FGDs. Some of the vital documents which were examined by the evaluation team are as follows:

1. Project documents (ProDoc) and Annual Progress Reports (2010, 2011, 2012) related to NABDP, APRP, GEP I & II
2. CPAP Afghanistan document
3. UNDAF Afghanistan document
4. Financial data showing breakdown of expenses on different activities/ interventions in the projects
5. Several mission reports by UNDP regional office staff
6. Results and resources framework, CPAP
7. Mission/Back-to-office reports (BTORs) by UNDP staff
8. Afghanistan National Development Strategy, National Priority Programmes and various policy documents of the Government of Islamic Republic of Afghanistan (GIRoA)
9. Research and studies on poverty and Afghanistan's socioeconomic situation produced by the Afghanistan Research and Evaluation Unit and World Bank.

A detailed list of the key documents consulted is attached as Annex 4.

### **Triangulation of data**

Triangulation is a core principle in mixed-method data collection as it ensures that the results are linked up into a coherent and credible evidence base. This review mainly relied on:

*Source triangulation.* The consultants compared information from different sources, i.e. at various management levels in different implementing partners, UNDP staff, project units, Government, NGOs, and donors.

*Method triangulation.* The consultants compared information collected by different methods, e.g. interviews, focus group discussion, documents review.

*Researcher triangulation.* Comparison and collation of information collected by different team members during the course of their desk research and data gathering.

*Oral presentation of preliminary findings and conclusions* to UNDP country office management and key staff of relevant projects in the country as part of the validation process.

As a principle, the evaluation ensured that opinions, views and perspectives offered by each interviewee or key informant were tested against information obtained from other interviewees and documents. Any perspective or data offered by an individual that could not



be validated against data obtained from other sources was considered ‘unreliable evidence’ for the evaluation and, hence, rejected in the analysis.

### **1.5 Format of the Report:**

The report is presented in five sections. Section 2 gives a brief introduction to the context of UNDP programme in relation to outcome 6, followed by presentation of the evaluation’s observations and findings on various outputs which relate to the outcome as defined in the Results and Resources framework of the CPD. Section 4 analyses the observations, evidences and findings on outputs presented in section 3 and draws conclusions on overall contribution to the outcome based on the criteria for evaluation as per the TOR and evaluation framework based mainly on OECD evaluation criteria. In sections 3 and 4, wherever relevant, the report draws key conclusions at the end of each sub-section. In the final section (section 5), the report summarizes the overall findings and lessons, and presents recommendations for future.

### **1.6 Limitations:**

The evaluation was subject to the following limitations:

1. Bulk of activities and interventions which were designed to contribute to the outcome 6 were in various stages of implementation or completion at the time of the evaluation and this limited the extent to which the evaluators could examine the effects of these initiatives on their targets.
2. Security protocols and procedures in Afghanistan meant that the evaluators could only visit where the current security restrictions allowed the team to go. Selection of sites for visits and activities seen were determined to a large degree by factors of security and as assessed for their accessibility by UNDP staff.
3. Reports and data available with UNDP and partner agencies were mostly input and activity oriented which limited their usefulness for outcome evaluation.
4. The evaluation has not been able to adequately answer the question ‘Are the financial and procurement system efficient?’ as this would have required a management review of the systems at UNDP and/or related executing agencies which was not the remit of an evaluation like this.

## Section 2

# Introduction to CPAP Outcome 6 - Programme Context and Content

## 2.1 The Programme Context and Objectives:

### 2.1.1 Overview

The overall context within which UNDP's programming takes place in Afghanistan is described in the country programme document (CPD) for 2010-2013. UNDP's CPAP was formulated at about the same time as Afghanistan adopted its comprehensive Afghanistan National Development Strategy (ANDS). The ANDS economic and social pillar, which encompassed the CPAP Outcome 6, addressed a broad range of development challenges. It is important to recognize that all development initiatives were shaped by the fact that Afghanistan was a fragile post-conflict state. Since early 2002, the UNDP programme in Afghanistan has supported stabilization, statebuilding, governance and poverty reduction. UNDP also supported the formulation of the first ever, Millennium Development Goals-based, Afghanistan National Development Strategy (ANDS).

The CPD builds on lessons from the previous cycle, in particular the need to strengthen UNDP's coherence and sharpen the focus of its programmes, which was recommended by a country programme assessment carried out in 2009.<sup>6</sup> In line with the assessment's recommendations, UNDP sought to expand its programme at sub-national level to enhance the outreach of its programmes. The country programme was redesigned to focus on institution building and support ongoing efforts to systematically build capacities within the Government and civil society to enable expanded and effective sub-national presence and to deepen the functioning of transparent and accountable democratic governance.<sup>7</sup> Four key programmatic areas were identified for the country programme:

- (a) Stabilization and peace building.
- (b) Strengthening democratic governance.
- (c) Livelihoods, natural resource management and disaster risk reduction.
- (d) Policy Advisory support for achieving MDGs through economic growth and poverty reduction.

### 2.2.2 Key elements of context underpinning the outcome 6

Robust international development assistance and fairly robust delivery of some of the development programmes such as girls' education, local governance and infrastructure made a difference on several fronts over the course of the ANDS period. But as the ANDS cycle reaches its end, Afghanistan still ranks near the bottom on most of the international indices of social and economic development. High poverty rate has persisted along with a number of

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<sup>6</sup> UNDP. Assessment of Development Results: Islamic Republic of Afghanistan – Evaluation of UNDP Contribution, 2009

<sup>7</sup> Country programme document for Afghanistan (2010-2013)

positive development indicators. There have been steady gains in GDP growth, school enrollment, access to health facilities, and services such as electricity, transport, and telecommunications. But these are having only marginal effect on improving the situation of the majority of Afghanistan's households. There are several factors behind this, including ongoing insurgency and inter-ethnic conflicts which characterize the Afghan society and will continue to determine the development outcomes in the country.

Afghanistan ranks 175 out of 186 countries in the human development index.<sup>8</sup> Chronic malnutrition among Afghan children is one of the highest in the world. More than half (54%) of Afghan children under age five are stunted (chronically malnourished) and over a third (34%) are underweight (World Bank/GIRoA, 2012). 36% of people are poor, and about 75% of the population is illiterate.<sup>9</sup> In terms of Gender Inequality Index, Afghanistan ranks 148 out of 149 countries evaluated in 2012. Patterns of exclusion and vulnerability in Afghanistan have a strong gender dimension. Women have limited access and command over productive resources, low school enrolment (31%) and literacy rate (22%) compared to men who have 43% enrolment and 51% literacy rate.<sup>10</sup>

The Government of Afghanistan (GIRoA) has strongly committed to improving the situation of women. The National Action Plan for Women in Afghanistan (NAPWA) was adopted by the GIRoA in 2008 and it seeks to achieve outcomes in three main areas: (i) gender equality in employment, promotion, policy making, and budget allocations; (ii) measurable improvements in women's status, in line with MDG 3; and (iii) greater social acceptance of gender equality as evidenced by increased participation of women in public affairs and policy discussions. The Government of Afghanistan further enacted the Law on the Elimination of Violence against Women (EVAW) in August 2009 which is a strong indication of its constitutional commitment and mandate, and it puts both man and women equal before the law. The Law on the Elimination of Violence against Women was also reinforced in the June 2012 Tokyo Mutual Accountability Framework. Additionally, the President's Office mandated MoWA to launch a nationwide campaign to ensure an effective implementation of EVAW Law

The CPD (2010-13<sup>11</sup>) noted that 80% of the population remains in rural areas and are engaged in agricultural activities, and therefore, focus on development of agricultural sector and expansion of rural development initiatives will be critical. Absorbing 60% of the working population, agriculture is by far the largest employer. The illicit production of opium still overshadows agriculture, accounting for nearly half of overall agricultural production (Hogg 2013).

UNDP's programmatic interventions and efforts on economic growth and poverty reduction are aimed at increasing opportunities for income generation, trade, private sector development and Public-Private partnerships. This was related to ANDS priority (National Priority 3 – Economic and Social development: reduce poverty, ensure sustainable development through a private sector-led market economy, agricultural and rural development and infrastructure development make significant progress towards the MDGs) as well as contributes to achieving UNDAF outcomes 6 – opportunities for decent work and income are improved and diversified, especially for vulnerable groups. For this programme component (national development policies for economic growth and poverty reduction), the CPD defined the outcome (Outcome 6, CPD) as 'Increased opportunities for income generation through the promotion of diversified livelihoods, private sector development and public-private

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<sup>8</sup> UNDP. Human Development Report 2013 – The Rise of the South: Human Progress in a Diverse World

<sup>9</sup> Richard Hogg, Claudia Nassif, Camilo Gomez Osorio, Willima Byrd and Andrew Beath. Afghanistan in Transition – Looking beyond 2014. World Bank 2013

<sup>10</sup> ROAR 2011

<sup>11</sup> Subsequently extended to 2014

partnerships’.

The Theory of Change (TOC) underpinning UNDP’s programme in relation to outcome 6 can be represented in Figure 1:

The outcome is sought to be achieved through four specific outputs which are realized predominantly through the contributions from four specific projects, each with its distinctive and complementary objectives. These projects are briefly described in Box 1.

**Box 1: Outputs and Key Projects contributing to Outcome 6**

**Outputs:**

- 6.1 Enhanced capacity of Government to foster enabling environment and private sector development.
- 6.2 Regional level partnership for trade and development.
- 6.3 Sustainable livelihoods through district and community initiatives and rural infrastructure creation.
- 6.4 Reduced poppy cultivation

**Projects:**

**1. National Area-Based Development Programme (NABDP)** – Implemented through the Ministry of Rural Rehabilitation and Development (MRRD), NABDP aims to provide a comprehensive package of development services to the rural communities of Afghanistan to achieve sustainable rural poverty reduction. NABDP, now in its third phase (2009-2014), focuses on three main outputs:

- >Strengthen district level institutions and governance structure to address priority local needs.
- >Improved access to key services and infrastructure for the rural poor.
- >Stabilization in less secure regions and districts to address economic and livelihoods issues in insecure areas including reintegration of ex-combatants into their communities.

**2. Rural Enterprise Development in Kandahar (REDKAN)** – UNDP works with MRRD under its Afghanistan Rural Enterprise Development Programme (AREDP) to promote higher market participation of targeted rural enterprises in Kandahar Province through community enterprise development and small and medium enterprise (SME) development. The project outputs include facilitating enterprise creation, linking enterprises with financial institutions, markets and technical support.

**3. Rural Enterprise Development in Helmand (RED Helmand)** – As part of MRRD’s Helmand Growth Programme, the outputs this project focuses on are: enterprise creation, linking enterprises with financial institutions, markets and technical support

**4. Gender Equality and Empowerment for Women (GEP)** – GEP aims to accelerate the process of mainstreaming gender and empowering women through three main components:

- >Enhancing Ministry of Women’s Affairs’ capacity for policy making and oversight for the implementation of the National Assistance Plan for Women in Afghanistan (NAPWA)
- >Development of Women’s Entrepreneurship’s skills and capacity building of women cooperatives in 19 provinces
- >Increasing access to justice for women including awareness on women’s rights among men and women.

Besides these four main projects, there are other initiatives which also partly contribute to the outcome 6: (a) Afghanistan Peace and Reintegration Programme (APRP) – that seeks to provide a means for Anti-Government Elements (AGEs) to renounce violence, reintegrate and become a productive part of Afghan society; and (b) National Institution Building Project (NIBP) which supports the Ministry of Agriculture, Irrigation & Livestock (MAIL) to develop alternative livelihoods options to poppy production.

## 2.2 Implementation Modality and Management:

The country programme has multilayered interventions: at the macro level it supports national development policies with active engagement with partners and stakeholders; at the meso level, it takes a “provincial approach to development,” involving active engagement with the Governors’ offices and networking with other local partners; and finally at micro level, implementation of activities occurs through community engagement and local contracting. The framework is aimed at establishing UNDP as a viable support channel for coordinated

international assistance to the Afghan population.<sup>12</sup>

UNDP’s programme support in Afghanistan largely comes under what is called National Implementation modality (NIM or NEX<sup>13</sup>) whereby the primary ownership of the projects and responsibility for implementation lies with the national government, and funds are channeled by UNDP through government agencies. The Ministry of Rural Rehabilitation and Development (MRRD), as the Executing Agency of the Government, is primarily responsible for the overall management of bulk of project activities that come under outcome 6. Only the GEP II project is implemented under the Direct Implementation Modality of UNDP, with the goal of an eventual and systematically initiated transfer to National Implementation Modality as the Ministry of Women’s Affairs (MoWA) acquires institutional capacity over a period of time.<sup>14</sup>

### 2.3 Resources:

Various projects which contributed to the outcome 6 totaled nearly \$ 600 million over the duration of the CPD, as the following table shows:

**Table 3: Project budgets and expenditure (source: UNDP)**

	Total budget (\$)	Total Spent (as of 17.09.2013) (\$)	Main donors
NABDP (NIM)	352,270,423 <sup>15</sup>	212,689,073	AECI, AFG, AUL, AusAID, BEL, CAN, CIDA, DEN, DFID, EU, GER, ITA, JPN, NET, NOR, UNDP, UNHCR
GEP II	6,403,188	1,762,834	AFG, CIDA, ITA, UNDP
REDKAN	7,129,969	2,268,508	CIDA
REDHELMAND	6,268,003 <sup>16</sup>	413,957	DFID and UNDP

<sup>12</sup> Country Programme Action Plan 2010- 2013 Between the Government of the Islamic Republic of Afghanistan and the United Nations Development Programme, December 2009

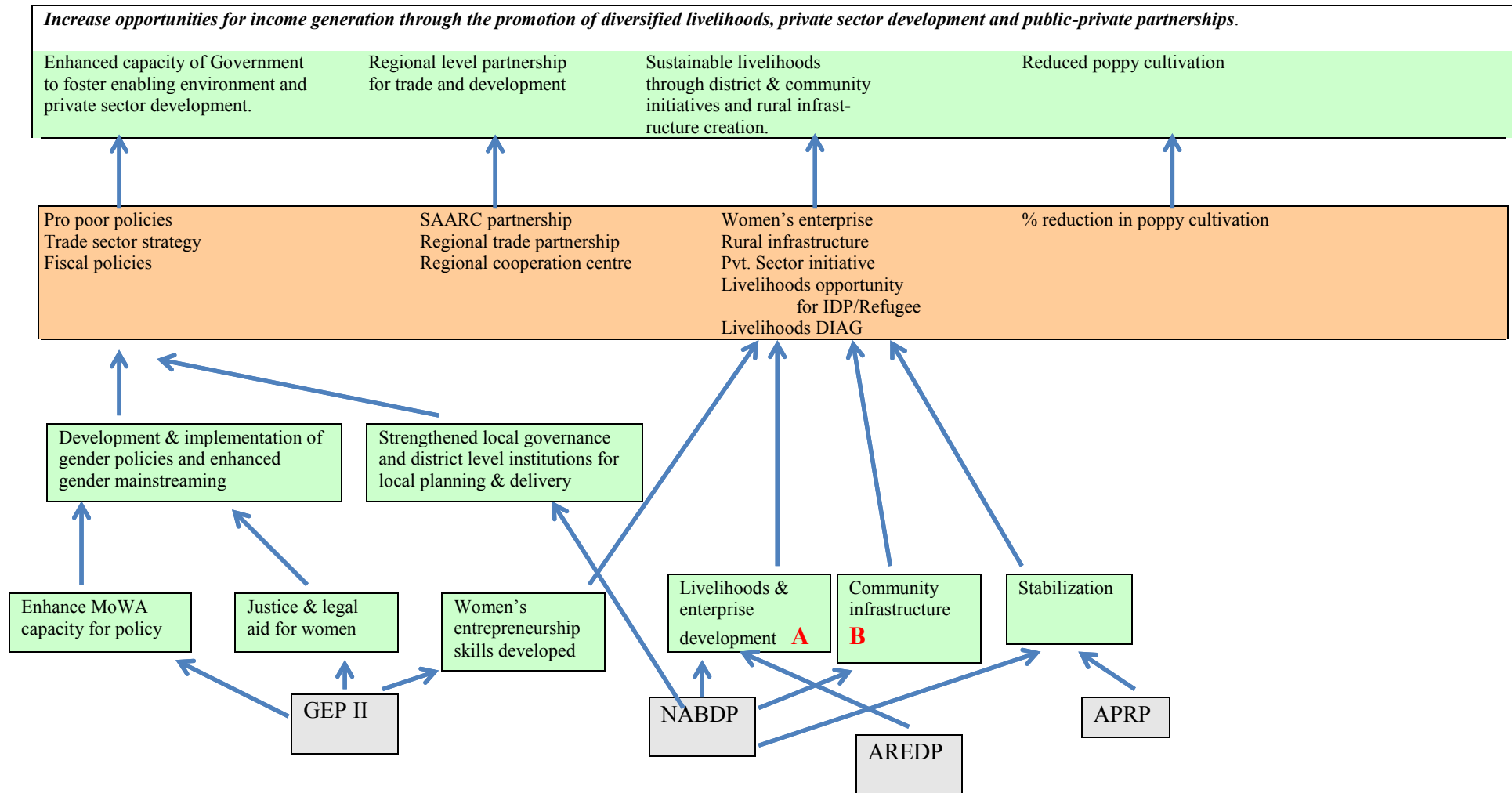
<sup>13</sup> National Execution

<sup>14</sup> ProDoc. GEP II

<sup>15</sup> This is the total for the three phases of NABDP

<sup>16</sup> The RED Helmand annual report for 2012 puts the budget at \$7,450,000

**Figure 1: THEORY OF CHANGE – OUTCOME 6, CPAP AFGHANISTAN**



### **Assumptions:**

**A:** Diversification of livelihoods in rural areas and promotion of private enterprises/SMEs will create opportunities for employment and increasing income of the poor.

**B:** Community infrastructure creation will facilitate increased opportunities for productive employment and private sector development.

## Section 3

# Evaluation Findings – Key Outputs in relation to Outcome 6

### 3.1 National and Sub-national Capacity:

A key premise of the current CPD has been deepening and developing sub-national governance and accountability. Towards this, the interventions under outcome 6 have been focused on creating institutional and human capacity at both national and sub-national level to develop and implement policies and plans for local economic and infrastructure development.

#### 3.1.1 District Development Assemblies

Beginning with the NABDP Phase II and continuing into the phase III, one of the significant achievements has been the facilitation of establishment of District Development Assemblies (DDAs) and support to the production of District Development Plans (DDPs).<sup>17</sup> District Development Plans (DDP) were developed jointly with the Provincial Development Councils (PDC) and Provincial Governor's offices in a number of provinces.<sup>18</sup> So far, out of a total of 400 districts, 388<sup>19</sup> DDAs have been created, although the capacity of DDAs vary from place to place and some remain dysfunctional – mostly those which are in highly insecure and difficult to access areas.

DDAs are elected bodies – its members are elected through a process involving Community Development Councils (CDC) created through the National Solidarity Programme (NSP), with a *de facto* but no *de jure* status under the current legal framework of Afghanistan. Under the GIROA constitution, it is stipulated that District Councils are to be elected by the local people through free, general, secret and direct elections for a period of three years, under a

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<sup>17</sup> Dr. Annette Ittig et al. Midterm Review of the National Area Based Development Project. Ministry of Rural Rehabilitation and Development, UNDP Afghanistan, April 2008

<sup>18</sup> UNDP. Annual Progress Report NABDP 2012.

<sup>19</sup> DFID/ALTI Consulting. District Level Representative Bodies Assessment, May 2013.



process overseen by the Independent Election Commission (IEC). However, the IEC does not have the capacity to organize district-level elections, leaving the status of current DDAs in limbo. Unlike District Governors, DDAs are not formal government institutions and its members are not government employees or representatives. The DDAs' future in sub-national governance remains uncertain as decisions on establishing formal District Coordination Councils (DCCs) are pending (likely to be postponed until after the election). Some DDAs may qualify to become a DCC and some granted interim status as the DCC; others may become redundant and replaced by appropriate structures.<sup>20</sup> DDAs will ultimately cease being a feature of NABDP.

This is further complicated by the fact that there are competing representative bodies operating at the district level, none of which have sufficient powers or independence to hold the executive to account or to adequately undertake their duties of representation. At district level, there has been a mosaic of quasi-representative bodies established under different donor programmes (the DDAs of NABDP, the ASOP Councils<sup>21</sup>, etc.). These bodies have certainly played an important developmental role, but have suffered from problems of overlap and differing terms of reference. The new policy on District Coordination Councils (DCCs) which was developed by two key ministries (MRRD and Independent Directorate of Local Governance, IDLG) during 2013 to harmonize the district structures is now awaiting approval by the cabinet.<sup>22</sup>

There remains some uncertainty over when and how the policy is implemented, especially in view of Presidential elections in 2014, the outcome of which may influence how political leadership of the country control and shape the provincial and district governance structures. Regardless of the outcome, the principles and practices put in place by DDAs are considered good practices and need to be incorporated in any future design of such structures. An evaluation of DDAs conducted by DFID noted that these were generally more representative than their ASOP counterparts, and in districts which were characterized by relative stability, ethnic homogeneity, and the presence of myriad active, non-state sub-national governance (SNG) actors, DDAs were observed to be the most functional of all the provinces analyzed in their performance of service delivery and governance roles (DFID/ALTI).

Another critical issue that will need to be resolved in the future structure of district governance is the role of such structures in implementation of projects. Currently DDAs tend

**Box 2: Disconnect between district, provincial and national plans**

Not only were CDPs (i.e. community development plans, from the CDCs) not consulted during the ANDS development process, but Provincial Council members interviewed also attested to disregarding DDPs. Provincial Council members, who were responsible for developing the PDPs that reportedly directly fed into the ANDS, had never read the DDPs at all; instead they developed the PDPs from their own perception of their provinces' priority needs. Though believed to be the culmination of thousands of subsidiary plans, the ANDS lacked district-level input from DDA's DDPs.

*(Source: Samuel Hall, NABDP BENEFICIARY ASSESSMENT - February 20, 2013)*

to, not often very successfully, play a role in planning and implementation of projects. DDAs also produce District Development Plans (DDPs) which are supposed to feed into the Provincial Development Plans (PDPs). However, in all the districts visited by the evaluation team, there were frustrations among DDA members that many of the activities implemented by

NABDP were not part of DDPs, and DDPs were not reflected in PDPs. The evaluators saw

<sup>20</sup> "The new DCC policy ... may negatively affect some DDAs that are not qualified to convert to the new structure of DCCs." NABDP, First Quarter Report, June 2013. Section VI, Risks, p.22.

<sup>21</sup> Afghanistan Social Outreach Programme: These are formal organizations to fulfill the role of district representation, created under the USAID-funded ASOP initiative. Members of these bodies are 'elected' by a gathering of influential members of the community and these are salaried, with members receiving US\$125 per month.

<sup>22</sup> UNDP – Afghanistan. Sub-National Governance And Development Strategy, July 2013



several high-cost projects (bridges, research institutes, rural technology park, office buildings, etc) which had no bearing on local needs being implemented in different provinces, ostensibly because influential politicians wanted these ‘prestige’ projects in their area. This is not surprising in the Afghan context where power, patronage and influence play a strong role in resource allocation. This does, however, beg the question asked by many DDAs as to why the former are then made to develop DDPs and identify local priorities if the decision is to be imposed from Kabul.

### 3.1.2 MoWA and Provincial Women’s Development Councils

The GEP project, working through the MoWA, has facilitated creation of Provincial Women’s Development Councils (PWDC) in four provinces to integrate gender issues such as promotion of women’s rights and mainstreaming gender equality into the development process at the provincial level.<sup>23</sup> Each PWDC has 30-32 women members, selected by the Department of Women’s Affairs (DoWA) in consultation with district and provincial authorities. Members are usually from the provincial capitals and neighbouring CDCs/DDAs (all influential members of their communities), and from key line departments as well as from NGOs and private sector, and the PWDC is chaired by the Head of Department of Women’s Affairs (DoWA). The membership structure of PWDC is intended to facilitate practical cooperation in project implementation with line departments and other implementing partners. The members work in a voluntary capacity and have been trained by UNDP and MoWA on various aspects including needs assessment of the communities, proposal writing and monitoring of implementation of NAPWA<sup>24</sup> in the provinces.

**Box 3: PWDC, Mazhar-i-Shaerif, Balkh**

Formed three years ago, with representatives from community development councils, DDA, staff from Department of Women’s Affairs and other citizens. Most of the members come from the Mazhar city and nearby areas as participation of women from remote areas is difficult for various reasons. Members were provided training by GEP/UNDP on needs assessment of communities and developing proposals. Members volunteer their time and they meet every month. GEP pays for transport costs and mobile top up cards.

PWDCs play an active role in vetting proposals for GEP funding. A number of proposals have been submitted from the sub-national level to the national level for review and approval, some from cooperatives for economic empowerment activities and some from legal help centers seeking operational support. When reviewing economic empowerment proposals, the PWDC and the GEP provincial office put strong emphasis on assessing market access and scope for sustainability of investments. In doing so, use is made of already existing cooperatives and micro-businesses to the extent possible. At the time of this outcome evaluation, most proposals for empowerment activities were awaiting national level decisions and/or transfer of funds, with only a few having reached the implementation stage. In discussions, concerns were raised regarding the centralized decision making procedure. The lead time is perceived rather long and this delayed implementation.

GEP II has strong elements of capacity development particularly at national level. Support mechanisms have been set up within Ministry of Finance to facilitate gender responsive budgeting (GRB) and within the MoWA, capacity building is focused on its ability to support gender responsive policy making and oversight of implementation of NAPWA. In addition, gender units in line ministries are supported with capacity development. In order to enhance the policy development capacity of the MoWA, a Women’s Policy Development Centre

<sup>23</sup> ROAR 2011

<sup>24</sup> National Action Plan for Women in Afghanistan (NAPWA) was adopted by the GIRoA in 2008 and it seeks to achieve outcomes in three main areas: (i) gender equality in employment, promotion, policy making, and budget allocations; (ii) measurable improvements in women’s status, in line with MDG 3; and (iii) greater social acceptance of gender equality as evidenced by increased participation by women in public affairs and policy discussions.

(WPDC) was created with the objective of ensuring that different line ministries implemented gender sensitive policies and strategies. MoWA acts as an oversight body for other line ministries to mainstream gender equality in policies, procedures and strategies and supports line ministries in reviewing existing policies from a gender perspective. A Monitoring and Evaluation (M&E) Unit in the MoWA was established to facilitate achievement of the Ministry's targets for the National Priority Programme (NPP) and for oversight of implementation of NAPWA.<sup>25</sup> In the long run, the WPDC mechanism is expected to play a key role in formulation of gender responsive sector policies and planning, and to significantly contribute to furthering gender issues in the country.

All of these have enabled the GIROA to take on board gender issues in general, and women's status and rights in particular, seriously insofar as its policy enunciations and actions were concerned. The Government of Afghanistan enacted the Law on the Elimination of Violence against women (EVAW) in August 2009 which is a strong indication of its constitutional commitment and mandate, and it puts both man and women equal before the law. The Law on the Elimination of Violence against Women was also reinforced in the June 2012 Tokyo Mutual Accountability Framework. Additionally, the President's Office mandated MoWA to launch a nationwide campaign to ensure an effective implementation of EVAW Law.

Overall, GEP has been contributing to creating an environment in the country where there is greater acceptance at district and provincial levels of women's role in local development, as well as GIROA's preparedness to initiate policy reforms within its various line-ministries to bring about greater gender equality. Although no impact assessment of GEP or of women's participation in district forums has been undertaken, an impact study<sup>26</sup> of NSP noted a similar change at village level – that NSP interventions increased men's acceptance of female participation in political activity and local governance.

### 3.1.3 Afghanistan Peace and Reintegration Programme (APRP)

National programmes for stabilization have been in place for over a decade. Afghanistan Peace and Reintegration Programme (APRP) was designed to mitigate insecurity by disarming anti-government militias and their commanders. Presumably APRP benefitted from the experience and lessons learned from various stabilization programmes undertaken in the country. The evaluation noted that APRP's mechanism (Peace Councils in provinces and in Kabul, supported by a Joint Secretariat at the centre and in each province) and its direct financial support to ex-combatants had better capacity to fulfill its mandate than its predecessors, which focused on disarmament. Peace council members in Kandahar and UNDP regional staff who worked with Disbanded Illegal Armed Groups (DIAG) cited APRP's far better record on reintegrating ex-combatants. As of December 2012, more than 6,000 reintegrees were now officially part of APRP while an additional 786 insurgents were in various stages of negotiations regarding their surrender.<sup>27</sup>

Provincial Peace Councils (PPC), although semi-formal, add a new dimension to local governance. PPCs comprise local elders, representative of former anti-Government elements (AGE), influential citizens, and is chaired by the Governor. One PPC said it was asked by a community in an adjacent province to settle a conflict, after the community rejected offers of mediation by the Afghan Local Police (ALP) and the Taliban. A PPC, assuming it adheres to its proper mandate, extends GIROA's reach in provincial affairs and can strengthen the government's control over security issues. The provincial Peace Council members met by the evaluation were knowledgeable about - and even former participants in - the insurgency

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<sup>25</sup> Institutional Capacity Building for Gender Equality Project (GEP) Annual Progress Report 2011

<sup>26</sup> Andrew Beath, Fotini Christia, Ruben Enikolopov. Randomized Impact Evaluation of Afghanistan's National Solidarity Programme, July 2013

<sup>27</sup> UNDP, APRP Mid -Term Evaluation Report, 19 February 2013

situation, and thus have a special capacity to deal with the target group. But APRP's dependence on line ministries and their (highly centralized) modalities for project approval weaken its capacity to deliver post-transition schemes and employment.

**Conclusions:**

1. In terms of overall contribution to the outcome 6, the evaluation noted that through the informal but well-embedded structures of DDA, PWDC and PPCs, UNDP has created participatory structures that work with district and provincial administration. Although memberships in these structures tend to be elitist in that these are dominated by people who have access to power and certain socioeconomic standing in the communities, these have created space – where none existed before – for participatory governance at district and provincial level, as envisaged in the theory of change. Going into the future, UNDP needs to make sure that the principles, practices and lessons from these are brought to bear on any formal structures that are developed at national and provincial levels.

2. One of the weaknesses of the current structures, especially the DDA and PPC, is that their *raison detre* is perceived to be linked to project implementation, rather than 'governance' as such. UNDP has developed a new SNG strategy which rightly suggests that in future, these structures will be part of governance programme portfolio.

### 3.2 Livelihoods and Private Sector Development:

As part of livelihoods diversification and enterprise development which is at the core of the CPAP outcome 6, emphasis has been laid on private sector development and SMEs. This derives from a market-led economic growth agenda which has been the hallmark of GIRoA's economic policy. The NABDP, through its infrastructure delivery, and AREDP, through its focus on the rural off- and nonfarm economy had the objective of addressing rural poverty and generating employment, and thereby contribute to private sector development and trade. The AREDP in particular was designed to "jump start" private sector growth in rural Afghanistan, improving rural employment opportunities and household incomes through the promotion of selected SMEs.<sup>28</sup>

Two Rural Enterprise Development (RED) projects were implemented through the Afghan Rural Enterprise Development Project (AREDP) in Kandahar and Helmand provinces. The Helmand project funded by DFID involves development of small and medium enterprises (SME), establishing market linkages and access to finance. The Kandahar project funded by CIDA is more comprehensive and includes, besides a component of SME development which seeks to achieve higher market participation of targeted rural enterprises,<sup>29</sup> diversification of livelihood activities based on on-farm and non-farm activities (for example, small scale trading of vegetables, grains, livestock, set-up flour mills, open shops, start a poultry farm activities, produce dairy products or produce and sell handicrafts) as well as community/group financing of enterprises through creation of savings groups. These projects focused on developing entrepreneurs and rural savings. The delivery of the projects took place through AREDP which is a nation-wide project, with a project structure not directly aligned with national or provincial governments.

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<sup>28</sup> Adam Pain and Paula Kantor. BEYOND THE MARKET- Can the AREDP transform Afghanistan's rural nonfarm economy? AREU, February 2011

<sup>29</sup> GIRoA. Afghanistan Rural Enterprise Development Program (AREDP). RED-KAN Project Proposal, March 2009

The small-scale women's economic empowerment projects of GEP I were evaluated<sup>30</sup> as providing good experiences for scaling up, not only within GEP II but also recommended as good examples for other projects with direct livelihoods support. The evaluation team's assessment also confirms that the women's economic empowerment projects under GEP are well designed, paying due attention to training of women and support in developing local market links. GEP's livelihoods interventions have been focusing on supplementary livelihoods for rural women utilizing local market and capacity, engaging them in mostly farm-based activities (vegetable growing, cotton cultivation, sheep rearing, household poultry farming, low value food processing like pickle making). All income generation activities were implemented on the basis of needs assessments, market demand, value chain analysis, with food security within household as the main target. Functioning women cooperatives are already seeking funding for additional equipment to be able to expand cooperative membership to allow more women to become cooperative members. This enhances the chances for effectiveness of support and for continued longer-term livelihoods opportunities for the involved women. Importantly, the targeting approach does ensure inclusion of some poor and vulnerable women.

The GEP and RED projects are enabling women and men in rural communities to engage in non-traditional income generating activities, on and off-farm, and promoting livelihoods diversification which is critical for addressing poverty and vulnerability in Afghanistan. The

**Box 4: Afghanistan Peace & Reconciliation Programme**

The project delivers to ex-combatants a transition allowance for initial six months, followed up by the possibility of employment through APRP's Small Grant Projects or through schemes implemented by line ministries using APRP financing. Some of these schemes are "community recovery" projects, which are not targeted at individual ex-combatants but at communities where they live or where security is an issue.

APRP, with its focus on ex-insurgents, is specifically creating employment opportunities and livelihoods for the latter as well as for host communities. Additionally, limited support to small and medium enterprises in Kandahar and Helmand is helping improve productivity of the enterprises and through this may in future help increase employment opportunities in the local

area. NABDP is indirectly contributing to livelihoods opportunities by creating temporary employment in labor-intensive infrastructure projects (road gravelling, flood control structures) in some areas. Besides these temporary wage-earning opportunities,<sup>31</sup> evidence is yet to emerge of any direct contribution of infrastructure projects on livelihoods and income generation, which was an assumption in the programme design. There is a general belief among the communities (especially men) that some of the social infrastructures improve livelihoods through access to markets and services, provision of electricity, protection of houses and agricultural land from flooding; however, there are no evidences of this, particularly in relation to their impact on poorer households. In terms of private sector development and creating public-private partnership, besides the fact that private contractors were used to supply or provide services for some of the NABDP projects, the evaluation has found no evidence of any progress made in this regard.

Access to credit is limited in rural areas, with most poor people relying on informal credit through extended families and/or patronage networks for consumption smoothing. Microfinance institutions that exist in the country cater only to urban and peri-urban areas, and in the absence of any rural banks in the country, most farmers have no access to reliable credit for productive investment. In this regard, the village savings and loans association (VSLA) promoted through the RED-KAN goes some way towards meeting the needs of the rural vulnerable for credit to engage in on-farm and off-farm activities. The evaluation team met several villagers who were now able to obtain small loans through the VSLA and engage in petty trades like sheep fattening, poultry production for local markets, tailoring, pickle

<sup>30</sup> UNDP. Women's Empowerment and Gender Equality in Afghanistan. An Assessment of UNDP Support, 2012.

<sup>31</sup> The 2012 annual report of NABDP stated that during the year it created about 24,000 labour days.

making which generated part of their income. Although these activities have low input-base and are of low productivity, they make a significant contribution to household income and food security of the poor.

The approach taken by RED to promote private sector through development of existing SMEs has limitations in the context of Afghanistan where rural poor have very little surplus production or cash income to participate fully in the market, thus limiting the carrying capacity of local markets. In provinces like Kandahar and Helmand which are relatively

prosperous and agriculturally rich, diversification is possible. However in provinces where poverty rate and food insecurity are high, production for market is very limited. According to the national risk and vulnerability assessment (NRVA) 2007/08 data, only 20 percent of the rural population derives their main income source

**Box 5: Limits of SME Development**

Dozens of dairy farmers from Kandahar where dairy farming is well developed were sent on a training and exposure visit to advanced dairy farming techniques in India and they returned with ideas to further develop their businesses and productivity. The evaluation team saw a successful dairy farm in the city of Kandahar, with over a hundred improved breeds of cattle. With over 600 litres of fresh milk produced every day on his farm, the farmer lamented that process of milk have been falling in Kandahar which produced about 95,000 litres of milk every day. This has been driving many farmers out of business as they find it hard to recover the cost of production, with rising feed and transportation prices. As milk is highly perishable and there are no chilling or processing facilities in the province or anywhere in the region, farmers are now struggling to stay in dairy farming business.

from farm sales.<sup>32</sup> Farmers commonly prioritize cultivating food crops to meet their household requirements and achieve a degree of independence from markets. This does raise a question about economic growth-led poverty reduction strategy for rural Afghanistan. A study conducted by AREU<sup>33</sup> noted that without direct focus of rural poverty reduction, promotion of economic growth agenda risks alienating poor Afghans, who are unlikely to benefit from growth, if poverty issues were not addressed.

**Conclusions:**

1. GEP has been successful in developing an approach to providing livelihoods to rural women utilizing local market and capacity, engaging them in mostly farm-based and traditional skill-based activities. Although in most cases, this is only a way of tapping into a diversified portfolio of household livelihoods, these play a critical role in reducing vulnerability. Besides providing supplementary income, these have created social space for women for engaging in economic activities and ushering in a gradual change in societies' acceptance of women's role outside their homes.
2. Interventions for private sector development under outcome 6 have been limited to supporting SMEs in their capacity development and creating rural enterprises. The experience shows that in a country where chronic under-investment and limited carrying capacity of market is a problem, developing the private sector has its own limitations in terms of its ability to contribute to poverty reduction. Poverty reduction and private sector development for economic growth need to be seen as two different, though complementary, aims in programming terms.
3. The group savings and loan model developed under the RED-KAN project provides financial access to the poor for diversifying livelihoods and, as a model, has potential for further development and replication. Key elements for success of this component of RED, like GEP livelihoods interventions, have been in (i) selection of local skill-based activities

<sup>32</sup> Adam Pain and Paula Kantor. BEYOND THE MARKET- Can the AREDP transform Afghanistan's rural nonfarm economy? AREU, February 2011

<sup>33</sup> AREU. Decline and Stagnation: Why Rural Afghans are Staying Poor, *Press Release*, 27 November 2010



which produce for local markets; (ii) producers directly linked with local markets; and (iii) regular monitoring and support by project staff.

4. Social infrastructures (access roads, drinking water supply, electricity etc) may have positive development effects, but they are not, per se, ‘increasing opportunities for income generation through the promotion of diversified livelihoods’, as stated in outcome 6.

### 3.3 Partnerships and Collaboration:

The CPAP Results and Resources Framework emphasizes regional level partnerships for trade and development. Specifically, under the outcome 6, training and exposure to countries in the South Asia region were envisaged. In the area of development of SMEs, several exposure visits to Pakistan, Iran and India helped enterprises learn new techniques and upgrade their production processes. In terms of linkages, there appear to be a few exchanges between research institutions in Afghanistan, India and Iran, but their potential to contribute to promotion of diversified livelihoods and private sector development was unclear to the evaluation team.

Within the country, the partnership between AREDP and Afghanistan Innovative Consultancy Bureau (AICB), a private company, in delivery of the rural enterprise and village savings and loans component has been the cornerstone of the RED-KAN project. This has enabled the project to reach some of the remote communities and vulnerable people who otherwise would not have been accessible to AREDP or UNDP staff due to constraints of security. AICB also brought its expertise in group formation and enterprise development which were crucial for the project. It needs to be noted here that by and large, UNDP supported interventions were located in close proximity of provincial capitals and/or in communities adjoining main roads due to access and security issues. In the prevailing environment, partnerships like this and outsourcing of implementation of key activities offer immense potential for UNDP to enhance the impact of its programme. In this regard, the CPD does stress partnership with civil society organizations (CSOs) and other UN Agencies. However, not much appears to have happened on the ground. The evaluation team met with several NGOs and at least one UN Agency (UN-Habitat) which have a long history of work on livelihoods promotion in Afghanistan, but there has been no attempt at even learning from each other, let alone partnership between the UNDP projects and these organizations.

#### ***Conclusion:***

1. The evaluation has not found much evidence of proactive partnership either at regional level or with civil society and other UN agencies in the country, although the CPD had emphasized this aspect.

## Section 4

# Evaluation Findings – Assessment against Evaluation Criteria

### 4.1 Relevance:<sup>34</sup>

Relevance is concerned with assessing whether projects and programmes are in line with local needs and priorities and refers to the overall goal and purpose of a programme.

**By and large, the programmes under outcome 6 are relevant in the context of local needs and national priorities, although some of the activities and projects have been weak in terms of directly addressing the needs of the poor and vulnerable which UNDP programming in future will need to better respond to.**

#### 4.1.1 Local needs and national priorities

The country programme supports ongoing efforts to systematically build capacities within the Government and is derived from ANDS priorities and National Priority Programmes (NPP) identified by the GIRoA. The programme is also aligned with two UNDAF outcomes which contribute to: (a) fostering good governance, peace and stability; and (b) promoting sustainable livelihoods, with a focus on agriculture, rural development, food security and income generation.<sup>35</sup> Considerable support for the government's capacity and institutional building remains high on the country's development agenda as well as that of UNDP.

UNDP interventions, especially through GEP, have been relevant to addressing gender issues. The Project is in line with the goals set out in the National Action Plan for Women of Afghanistan (NAPWA) and consistent with the Millennium Development Goals (MDG) of gender equality and empowerment of women. Furthermore, it contributes to key outcomes of the UNDP Country Programme Action Plan (CPAP) and UNDAF. Building on its Phase I track record of successful pilots in Kabul and four provinces and taking into account lessons from the first phase, the GEP II project comprises three pillars: i) Policy Review and Support, aiming to support gender-related policy and strategy formulation and implementation; ii) Women's Economic Empowerment, to enable improved access to and control of productive resources resulting in the empowerment of women and girls; and iii) Justice and Human Rights, to support greater demand for and access to justice and human rights.<sup>36</sup>

GEP II has a comparatively (in relation to GEP I) strong component of capacity support to MoWA, especially in its gender mainstreaming facilitation role, which is highly relevant in terms of the intentions of ANDS and NAPWA. According to ANDS and NAPWA, each line ministry is assigned responsibility to ensure that gender equality perspectives are included in

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<sup>34</sup> **Questions /issues examined:** (1) To what extent do the intended outcome and relevant outputs address national priorities and to what extent is this aligned with UNDP's mandate in Afghanistan? (2) Have UNDP interventions been relevant to women and other marginalized populations, and based on indicators of poverty and vulnerability? (3) Has UNDP been able to adapt its programming to the changing context to address priority needs in the country? (4) What are the potential area of engagement for UNDP's next Country Programme in relation to poverty reduction and sustainable development of Afghanistan? *(the last question is discussed in detail in section on 'UNDP's Strategic Positioning in the Changing Context', Section 5.2)*

<sup>35</sup> UNDP. Country Programme Document for Afghanistan (2010-2013)

<sup>36</sup> UNDP. Project Document – Gender equality and empowerment of women (GEP II), 2013-2015

each ministry's work planning and budgeting. MoWA is assigned an oversight role and responsibility to support line ministries to implement gender mainstreaming in practice. The recently established Women's Policy Development Centre (WPDC) is relevant in this context, although the time horizon seems rather short to achieve the intended institutionalization of gender mainstreaming capacity within MoWA and key line ministries.

The National Area Based Development Project (NABDP), the other flagship under outcome 6, has also targeted women's economic empowerment through providing training in vocational skills carpet weaving, bee keeping, and tailoring.<sup>37</sup> NABDP's support towards developing district and provincial structures is creating demand for local participation in local planning and programme delivery. The RED-KAN project which is able to reach out to remote communities is providing interventions relevant to the local needs and market for development of livelihoods for both men and women. As discussed in section 3.1.2, the policy and institutional framework on gender that has been put in place at central and provincial levels is bringing about gradual change in the country at least in terms of acceptance of women's role in local governance and economic activities.

The Afghanistan Peace and Reconciliation Programme (APRP) was designed to mitigate insecurity by disarming anti-government militias and their commanders. APRP offers re-integrated fighters cash allowances and potential employment, as well as 'community recovery' projects in insecure areas. APRP's principal function is stabilization by creating opportunities for livelihoods. Field visits and key informant interviews with reintegrees indicate that the support has been highly relevant in enabling them to give up arms and join the mainstream society.

The evaluation however noticed a number of NABDP projects (DDA meeting places, an empty veterinary clinic waiting for MAIL staff, community centres, an urban highway bridge etc) whose relationship to the outcome (livelihoods and private sector development) is open to question. The design of the project and outputs provides only a weak theoretical link to the outcome and this has been exacerbated by the manner in which the project is implemented particularly with regards to resource allocation as highlighted below.

#### 4.1.2 Vulnerability and poverty

It needs to be noted that resource allocation by the GIROA is not made on the basis of poverty profile. A quick analysis of funds allocated under the NABDP<sup>38</sup> shows that provinces like Balkh, Ghazni, Paktya, Khost, Laghman, Badakshan and Logar which have high prevalence of poverty (ranging from 60 to 80 percent) and high levels of calorie deficiency (ranging from 50 to 80 percent) generally received less than Kandahar, Helmand and Nangarhar which have experienced relatively low levels of poverty (less than 40 percent) and calorie deficiency (less than 30

**Box 6: Elite capture of benefits remains a big problem**

In Ghozo village of Panjsher, a heavy-duty concrete bridge was built at a cost of \$270,000 across a river connecting a mountainous village of 300 households with a main road. The village terrain is such that it has no road or any car or motorcycle, and all they needed was a small bridge which could help people and animals cross the river to get to the main road. The DDA had no say in selecting this project as it was done at the behest of an influential politician who wanted to showcase his village's 'development'.

In Kandahar, an agricultural institute is being constructed at a cost of \$4.5 million, and in Kabul a rural technology park to showcase Afghan rural technology is being built (cost \$2.5 million), with no involvement of any of the DDAs or local people. Both these projects were reportedly the brainchild of senior politicians in the country.

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<sup>37</sup> ROAR 2012.

<sup>38</sup> NABDP has delivered nearly 2,000 projects of various sizes during phase III in 34 provinces in the country.



percent).<sup>39</sup> Further, as discussed in section 3, the programme implementation reflects a bias towards areas close to provincial capitals in districts that are less rural relative to the rest of the province. Selection of provinces and districts have been influenced more by factors like donor preferences and earmarking of funds and political influence of local leaders, than by factors of vulnerability and poverty profile of districts and communities. An independent management review<sup>40</sup> had also noted this phenomenon of elite capture of programme benefits in the NABDP in a large number of activities in different provinces.

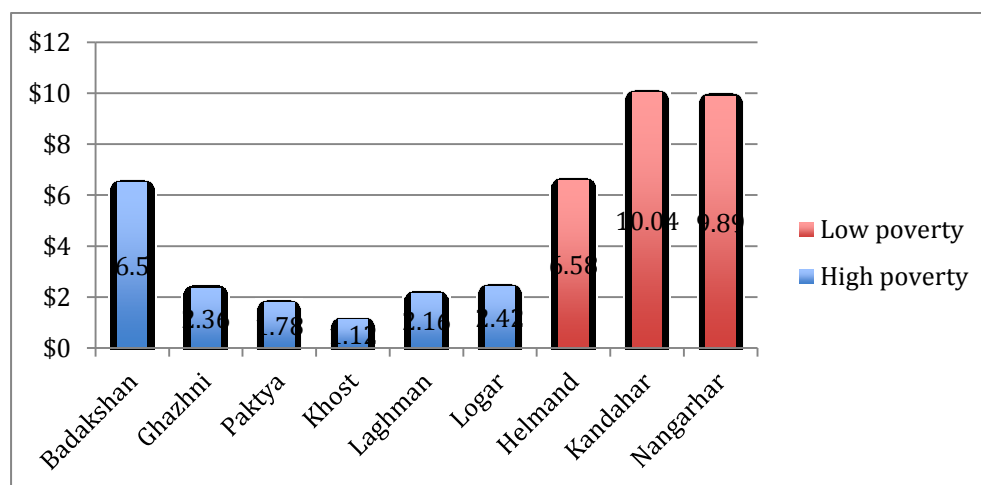


Figure 2: NABDP investment (US\$ millions)

### 4.1.3 Changing context and emerging issues

With the withdrawal of coalition forces, the donor preference to earmark funds for provinces where their troops were deployed may not be a strong factor in influencing where funds go. At the same time, it is expected that the country will see a decline in aid, especially military and security related aid which currently accounts for nearly half of foreign aid. This may offer an opportunity in the forthcoming CPD planning process to engage in development issues with focus on vulnerability and poverty, and move the discourse away from stabilization and security agenda, although quite how the political process pans out in the next year is anyone’s guess. UNDP needs to be able to bring to the table its capacity for poverty-focused analysis and evidence-based policy development and implementation which have largely been missing from the country’s development agenda. As a recent World Bank research noted, massive stabilization expenditures in some of the more insecure and conflict-affected provinces appears to have only modestly affected poverty.<sup>41</sup> UNDP’s country programme will need to adapt to these emerging realities.

#### Conclusions:

1. UNDP’s CPD has emphasized capacity building of GIRoA which has been and will continue to be a highly relevant approach. In doing so, UNDP needs to enable GIRoA at both central and provincial levels to focus on poverty and vulnerability through livelihoods and private sector development which does not seem to have received the primacy it deserved in the country’s policy-making.

<sup>39</sup> World Bank/GIRoA. ‘Poverty and Food Security in Afghanistan – Analysis based on the National Risk and Vulnerability Assessment of 2007/08’, February 2012

<sup>40</sup> Samuel Hall Consulting. Fieldwork Synthesis of NABDP Beneficiary Assessment, February 2013.

<sup>41</sup> Richard Hogg, Claudia Nassif, Camilo Gomez Osorio, Willima Byrd and Andrew Beath. Afghanistan in Transition – Looking beyond 2014. World Bank 2013

2. NABDP's work on district level 'governance' to foster participation has been relevant in the context of the intended outcome, although there are uncertainties over the future of the structures created. However, relevance of the infrastructure component has been mixed in view of the fact that one of the key assumptions underpinning the intended outcome (as discussed in section 3.4 above) that community infrastructure will facilitate increased opportunities for productive and private sector development has not been validated.

3. The pro-poor policy development and reaching out to vulnerable women through the GEP and SME and livelihoods development through the RED projects are contributing directly to the outcome and hence are relevant.

## 4.2 Effectiveness:<sup>42</sup>

Effectiveness measures the extent to which the programme or activities achieve their purpose, or whether this can be expected to happen on the basis of the outputs.

**The evaluation found that the overall contribution of various activities supported by UNDP to the outcome of increasing and diversifying livelihoods opportunities, developing private sector and public-private partnership in Afghanistan has been modest so far, and potential exists for significant enhancement of their effectiveness in future, based on lessons from the past four years.**

### 4.2.1 Overall results and outcome

The World Bank funded AREDP has been the main flagship of GIRoA's programme in terms of private sector and livelihoods development in the country. Through outcome 6, UNDP CPD has attempted to complement the national efforts on private sector development and public-private partnership. The group savings and loan model developed under the RED-KAN project<sup>43</sup> which provides financial access to the poor, and the GEP have been successful in enabling households to diversify livelihoods – so far, about 2,800 households have obtained loans through which they are engaging in income generating activities through group financing model. The contribution of the programme towards greater government capacity for poverty reduction and private sector development (output 6.1) has been small, though significant. As discussed in section 3.2, UNDP interventions for private sector development have been focused on supporting SMEs in Kandahar and Helmand in their capacity development and creating rural enterprises. It is too early<sup>44</sup> to tell if the existing SMEs that are being assisted will expand employment opportunities in future, but as noted earlier, the scope

<sup>42</sup> Questions/Issues examined: (1) To what extent the planned outcome has been or is being achieved? Are there any additional outcome(s) being achieved beyond the intended outcome? (2) How have corresponding results at the output level delivered by UNDP affected the outcome, and in what ways have they not been effective? What are the challenges to achieving the outcome? (3) How has increasing access to services in remote areas through building infrastructures, which constitutes a substantive resource contribution from UNDP, contributed to the outcome and led to poverty reduction and economic development in the targeted areas? (4) Has UNDP best utilized its comparative advantage in deciding to deliver planned outputs? What are the key gaps that UNDP interventions could address within its comparative advantage that would significantly contribute to the achievement of the outcome? (5) Has UNDP's partnership strategy been appropriate and effective in contributing to the outcome? (6) To what extent did the results, both at the outcome and output levels, benefit women and men equally? (7) Is the current set of indicators for both outcome and output effective in informing the progress made towards the outcomes? If not, what indicators should be used? Are the progress reports evidence-based and do these track outcomes?

<sup>43</sup> In partnership with AREDP.

<sup>44</sup> Slow rate of implementation and the fact that most of the SMEs received training and exposure in the last 6-12 months means that results will become clearer when a critical mass is reached.

for SME development will be limited in most of Afghanistan where rural poor have very little surplus production or cash income to participate fully in the market.

NABDP projects might have had some effect on livelihoods (women's economic empowerment interventions), but these are small. Social infrastructures (access roads, drinking water supply, electricity etc) may not have made much of a contribution to 'increasing opportunities for income generation through the promotion of diversified livelihoods' – except by creating temporary employment in labor-intensive projects.

An important outcome that was not part of the original design but appears to be making a significant difference to communities is a gradual shift in attitude of communities and male-dominated power structures in provinces and districts towards women's participation in economic activities and local governance (DDA, provincial councils, women's councils). The impact however may still be limited countrywide as most of the work on advancing gender issues directly or indirectly have been carried out as part of GEP and RED projects which currently cover a limited number of provinces. However, nationwide, the NSP is also contributing to a similar change, as was noted in an impact assessment.<sup>45</sup>

It is worth noting here that while there seems to be good acceptance in Afghan society of women's involvement in small-scale projects on economic empowerment and legal help centres, the acceptance however seem considerably less when it comes to gender mainstreaming. Traditional mind-sets combined with limited understanding of the difference (and mutual reinforcement) between women's empowerment and gender mainstreaming undermines the formal commitment and buy-in from line ministries. Gender mainstreaming seems to be confused with hiring a few women to work with women on women's issues. The understanding and/or commitment to viewing gender equality as the responsibility of not only women but also of men seems limited to date. Gender mainstreaming within line ministries is thus seen as the task of specialist gender units rather than the responsibility of all ministerial staff members in their daily work. It will take more than gender concepts and women's rights training events to address such mind-sets and misperceptions. GEPs' work with mullahs, religious leaders and engaging them in examining gender issues from the perspective of an Islamic society has high potential for stronger coalition and advocacy in order to address misperceptions and to foster a more conducive environment for improved gender equality.

GEP, in particular, through its support on policy development has assisted the GIRoA in developing policies addressing vulnerability of women. Other UNDP supported programmes provide good entry points to strengthen women's empowerment and gender mainstreaming within key line ministries. This potential for working with key line ministries from a gender mainstreaming perspective is only recently being tapped through UNDP's gender cluster work which is leading to cross-outcome/programme interactions. A programme like GEP II (with its comparatively modest financing) is in no position to effectively enhance gender equality in Afghanistan on its own. A scaling up and broader coalition of programmes and agencies will be required to make a substantive dent in the traditional role of women in Afghan society.

CPAP outcome 6 also focused on district governance which has been identified as the "missing middle" in local governance, with significant resources and efforts having been invested in the formation of provincial councils. The third phase of funding for the expansion of the NABDP included an explicit mention of institutionalizing DDAs through 'expanding the scope of their role in local governance,' through conflict resolution, women's empowerment and a 'social development role.'<sup>46</sup> As has been discussed in section 3.1.1,

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<sup>45</sup> Andrew Beath, Fotini Christia, Ruben Enikolopov. Randomized Impact Evaluation of Afghanistan's National Solidarity Programme, July 2013

<sup>46</sup> Samuel Hall, NABDP Beneficiary Assessment - Fieldwork Synthesis, February 20, 2013

despite uncertainty over the future of DDAs, the principles and good practices (in relation to local participation in planning and implementation) put in place by DDAs need to be incorporated in any future design of such structures.

#### 4.2.2 Limitations and challenges

As the evidence presented in sections 3.1 and 3.2 indicate, the infrastructure component has created assets not all of which are benefitting communities, nor is there evidence to suggest direct contribution of infrastructure projects on livelihood and income generation. The evaluation does not question the popular notion that investment in infrastructure creates conditions for private sector or livelihoods development, but argues that such investment ought to reach a threshold level to make a meaningful impact. In Afghanistan’s case, it will take more than a bridge or a road or two in a district before the effect of infrastructure can be felt on livelihoods and private sector development. More so when even the small (relative to the needs) budget that NABDP operates on has to meet the interests of the powerful elites before it can meet local needs.

Data gathered during the evaluation indicated that several of the output indicators in the CPAP Results & Resources Framework (RRF) for outcome 6 have made little progress, namely: trade sector strategy; SAARC partnership; regional trade partnership; fiscal policies and regional cooperation. Some of the output indicators like fiscal policies and trade sector strategy may have been developed and these may have made progress in relation to delivering the country’s economic growth, but there was no evidence that these were contributing to income generating opportunities and diversified livelihoods for poor and vulnerable, especially in the rural areas where majority of poor live.

The output *economic opportunities for households in poppy producing provinces* (output 6.4) was not matched by the programme design or activities of any of the projects. Some of the projects were implemented in poppy cultivating areas, others were not. RED-Helmand was in the province that still produces 49% of the national crop; whether it weaned any households

**Box 7: A Vicious Circle**

‘For the rural nonfarm economy to provide opportunities that reduce poverty, there needs to be an engine of growth to support it and the opportunities it presents must be accessible to the poor. When the agricultural economy is dynamic and incomes are rising, agriculture can provide the basis for growth in the nonfarm economy, boosting the demand for services, transport and (where they are competitive with imports) manufactured goods. Badakhshan during the opium boom is a strong example of this process. However, the conditions in Badakhshan and Sar-i-Pul after the cultivation ban and during the drought demonstrate the limits of the rural nonfarm economy when demand for goods and services is low and wages are declining.’

(Extracted from: Paula Kantor and Adam Pain. *RUNNING OUT OF OPTIONS - Tracing Rural Afghan Livelihoods*, AREU January 2011).

from cultivation is not known – at least the reports do not indicate this. The evaluation noted that in the first year of the CPD, there was some engagement on this issue, but subsequent annual reports (2011, 2012) and key informant interviews with UNDP staff indicated that this component of the programme has not received any direct attention from UNDP, and it has rightly left this to other

appropriate organizations (UNODC and various arms of the GIROA) to deal with. Poppy production is a tricky issue in the context of a country like Afghanistan where alternative cash crops which can compete with the attributes of poppy in relation to household food security,<sup>47</sup> especially for the poor, are hard to find. UNDP has been working with Ministry of Agriculture to test and develop saffron cultivation as a possible alternative which can offset the negative effects of large-scale decrease in poppy cultivation. It will be a few years of trial and experimentation before one can see any empirical evidence of the effectiveness saffron as a poppy-substitute.

<sup>47</sup> Lorene Flaming and Alan Roe. Water Management, Livestock and the Opium Economy – Opportunities for Pro-Poor Agricultural Growth, AREU, June 2009.

Capacity building of GIRoA line ministries is one of the principal objectives of most donor aid. A factor potentially negatively affecting capacity development outcome is that capacity support mechanisms are not fully embedded in the ministries; instead, a common approach appears to be providing support through separate projects or units which are not fully integrated in the Ministries. This leads to duplication, overlap and confusion. The MoWA itself has, for instance, several gender units/focal points in the Ministry, all supported by different donor agency projects. In general, the focus tends to be strong on providing training events and less on transfer of capacity through on-the-job capacity development. In this regard, the approach taken by AREU in its technical support to the WPDC in MoWA holds a stronger potential for being internalized by MoWA. AREU takes a strong ‘accompaniment’ approach to ensure active involvement of relevant MoWA staff when interacting with line ministries. Proposed revisions of policies and strategies are discussed with the line ministries rather than being presented as an output from MoWA. This process approach does however come at a cost of slowing down the progress towards delivery of project outputs.

### 4.2.3 Comparative advantage and partnership

As discussed in section 3.3, there are opportunities for partnership with number of organizations; however, the programme has made very limited use of active partnership with organizations outside of the needs of various project implementation.

UNDP’s comparative advantage lies in its credibility and relationship with Government and donors that gives it space to have dialogue for harmonizing approach to deliver of aid, and to engage in evidence-based policy support on poverty and MDGs. Ideally, donors would have liked to see an agency like UNDP take the lead and coordinate the capacity building and donor funding approach, but as UNDP is running its own separate projects through various ministries, its standing as a neutral coordinator is compromised. This is further compounded by the fact that the Security Council has mandated UNAMA to deal with aid coordination, but it has limited capacity for it.

Interviewees (both internal and external) failed to identify any area where UNDP demonstrated a unique value addition that would distinguish it from other Agencies implementing projects. An area where UNDP’s globally recognized knowledge management capacity could have made a difference is in development of inclusive financial markets which can be accessed by the poor and remote communities. The group savings and loans component of RED-KAN has demonstrated that despite limited market potential and poor infrastructure, small loans support provided through the VSLAs can be effective intervention in enabling poor households to diversify their livelihoods, albeit at the margins. UNDP’s experience in other countries and partnership with key agencies like the UN Capital Development Fund (UNCDF) could add significantly enhance the effectiveness of its work on outcome 6.

### 4.2.4 Programme design and outcome tracking

Underlying the TOC (Figure 2) for outcome 6 are two key assumptions which have shaped the programme design:

1. Diversification of livelihoods in rural areas and promotion of private enterprises/SMEs will create opportunities for employment and increasing income of the poor.
2. Community infrastructure creation will facilitate increased opportunities for productive employment and private sector development.

As the evaluation noted (section 3.2), by linking livelihoods for the poor with private sector development, the focus on poverty and vulnerability may have been diluted. The articulation



of outcome has certain incoherence in that it tends to club together economic growth agenda based on private sector development with development of livelihoods and income generating activities for the poor. Although both may be necessary for the country, but trying to pursue these through the same programmes, as has been attempted through outcome 6, makes planning, implementation and assessing results somewhat challenging. It is possible to have growth and development in the private sector through investment and capacity building efforts, but how far this by itself will contribute to creating employment and incomes for the poor remains a question.

There was substantial inconsistency in the outcome statements, outcome indicators and corresponding output indicators, as was also acknowledged by UNDP in its annual report.<sup>48</sup> The two RED projects are fully focused on the business of diversifying livelihoods, through savings and enterprise groups and SMEs. One component of GEP and one small activity in NABDP (women's economic activities) are providing women with the opportunity to increase household income. The largest component of NABDP may be contributing to creating general infrastructures for the communities, but their contribution to the outcome remain unproven. The outcome statement thus overstates the emphasis on livelihoods and private sector development while failing to capture many of the development results produced by the various programmes under the umbrella of outcome 6: for example, gender and governance outcomes discussed in section 3.1.

At the level of outcome indicators, CPAP defines these in terms of reduction (10%) in households living below the poverty line. Even if realistic, realizing the indicator will be influenced by multiple factors and will be scientifically hard to determine the contributions of UNDP's interventions to this. UNDP would be better placed to track its contribution by focusing on changes in intermediate outcomes in terms of *changes in behaviour* (functioning), relationships (participation, partnership, inclusion and exclusion), actions or activities of people, groups and institutions with which the various projects work directly, instead of *changes in state* (reduction in percentage of people below poverty). Some of the indicators could be, for example:

- No. of districts with poverty rates of minimum X% targeted implementing anti-poverty programmes
- No. of households below the poverty line able to regularly access loans
- No. of rural banks/VSLAs set up and able to manage landings, liquidity management and regular repayments benefiting at least X number of households.

In this regard, it is worth noting here that some of the output indicators (enhanced capacity for formulation of pro-poor policies; enhanced south-south cooperation; number of regional initiative and partnerships focusing on poverty eradication) listed in the CPAP RRF more aptly measure intermediate outcomes and could be included in the above list.

**Conclusions:**

1. The contribution of the programme towards greater government capacity for poverty reduction and private sector development (output 6.1) has been small but significant. The GEP project and RED-KAN in particular are able to reach out to women and some vulnerable communities through provision of direct support on livelihoods. This underscores the value of targeted livelihoods and income-generating programmes to address poverty in the country.
2. An important outcome that was not part of the original design but appears to be making a significant difference to communities is a gradual shift in attitude of communities and male-

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<sup>48</sup> UNDP Afghanistan. Results Oriented Action Report (ROAR) 2012

dominated power structures in provinces and districts towards women's participation in economic activities and local governance (DDA, provincial councils, women's councils).

3. The outcome statement overstates the emphasis on livelihoods and private sector development while failing to capture many of the development results related to gender and governance produced by various programmes under the umbrella of outcome 6.

4. Interventions for private sector development under outcome 6 are yet to demonstrate their effectiveness in terms of increased opportunities for income generation and diversified livelihoods.

5. The poorly coordinated projectized approach to development assistance in the country by all donors cause duplication in structures, and capacity building has not had strong embedding in the line ministries.

6. UNDP needs to define the outcome indicators in terms of changes in behaviour (access to loans and government services, food security) and relationships (participation, partnership, capacity) of people, groups and institutions with which the various projects work directly.

7. UNDP has not leveraged its global expertise, credibility and partnership opportunities to harmonize capacity building of Government and significantly enhance the effect of its support on livelihoods and private sector development outcome (6) through development of inclusive financial markets.

### 4.3 Efficiency:<sup>49</sup>

Efficiency measures how economically inputs (funds, expertise, time) have been converted into outputs.

**Besides security conditions and access issues, cumbersome bureaucratic procedures, weak monitoring of outcome and lack of focus on value for money have contributed to delays and sub-optimal performance in programme implementation in several instances.**

#### 4.3.1 Programme resources and delivery

UNDP's security procedures and difficult access to remote communities affect implementation of all programmes. Even without that, development work, especially in rural Afghanistan, is an inefficient undertaking. Scattered populations, poor roads, winter closures, all make delivery of programmes for rural communities inefficient. Delivery of several activities and projects has been slow, as can be seen from Table 3 in section 2.3. The two RED projects have been severely lagging behind in delivery, and it is uncertain whether project implementation will be completed even within the extended time-frame which is now March 2014. Lack of qualified business development services providers and trainers, non-availability of raw materials, worsening security conditions which often cuts off supply

<sup>49</sup> Questions/Issues examined: (1) Were programme resources/ funds efficiently applied? What internal factors (design, management, human and financial resources, field delivery capacity etc) and what external factors (physical, political, security) are affecting achievement of planned results? (2) Are the activities cost-effective and do they deliver value for money? How is value for money monitored, and if so, what type of data /mechanism used? (3) Are the financial and procurement systems efficient? (4) What M & E system/strategy and quality assurance system have been put in place and how effective are these?

routes, and lack of diversified linkages are stated to be the reasons for poor implementation progress in the RED projects.<sup>50</sup>

Given the reality on the ground, this evaluation echoes the remarks made by an independent review of NABDP earlier which questioned as to why more secure but equally poor districts were receiving modest or no delivery of area-based projects from NABDP while insecure districts where delivery was more challenging to execute and monitor, appeared to have benefitted disproportionately.<sup>51</sup> Earmarking by donors may be one explanation, besides GIRoA's desire to be seen to be investing in insurgency-affected areas being another.

Part of the slow delivery is also related to highly cumbersome and inefficient procedures for funds disbursements and procurement within the GIRoA. NABDP and GEP in several locations reported slow procurement and funding procedures holding up their work for anything between 6 to 18 months. APRP had similar delays in several instances, ostensibly because it had to rely on line ministries to implement "community recovery" projects and it took months for the ministries (MAIL/Ministry of Public Works) to obtain necessary approvals at different levels to get the work going. Only in the case of AREDP, things did appear to run relatively smooth as funds are channeled through the UNDP project management structure.

#### 4.3.2 Value for money

The evaluation has not seen any report or document which showed any systematic attempt at monitoring value for money. As discussed in section 3.1.1, on the contrary, the evaluation found number of instances where investments were made in infrastructure projects with questionable benefits, when low-cost alternatives could have been opted for. Discussions with M & E staff in various programmes indicated that monitoring during implementation generally focuses on technical and procurement issues only.

As multiple donors are usually involved in most programmes and with different line ministries, duplication in support on technical and capacity building issues is a major problem in Afghanistan, probably symptomatic of huge resources that were available in the last decade. There is weak coordination within the donor system of the support provided. Within MoWA, in line with the NPP to accelerate the operationalization of NAPWA, several international agencies are providing technical support to different departments, sometimes duplicating work. NABDP in provinces, instead of aligning with existing government structures like technical line ministries and provincial governments, has remained independent of these. In the MRRD which executes the largest number of donor-funded programme, there is an M&E unit for almost each separate programme, besides sometimes having a communication unit aligned with each programme. This is a huge duplication of capacity and resources. The World Bank and the European Union (EU) are now working with the MRRD to undertake a change management process in order to streamline these multiple structures.

Through GEP, UNDP supports gender responsive policy making as well as gender responsive budgeting in selected line ministries. A challenge to address further is the cooperation across these two separate activities of GEP II. Ideally, gender mainstreamed policies and strategies would provide the basis for gender responsive budgeting within the line ministries. To achieve this would call for closer collaboration when it comes to training and capacity development efforts. Currently MoF and MoWA deliver training and capacity development interventions with very limited coordination between each other.

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<sup>50</sup> AREDP-HELMAND 2012 Annual report (p6)

<sup>51</sup> Independent Management Review - Final Report. National Area Based Development Programme (NABDP) III Afghanistan. 2010



### 4.3.3 Quality assurance, monitoring and evaluation (M&E)

The scope and breadth of UNDP's work is extensive as the CPD shows. Following an Assessment of Development Results (ADR) for the period 2002-07, the country office did attempt to sharpen the focus of its programme in the CPD 2009-13. It is obvious that this is an ongoing work and the next CPD process (2015-2019) will provide another opportunity for this. In fact, the next country planning process may be an opportune moment to undertake this as the entire development and funding landscape in the country will undergo a radical change.

The ADR stressed the need for improved reporting on development results and outcomes. The annual progress report and other related documents seen by the evaluation team were predominantly activity and output-focused. The system for reviewing progress in the country office has been weak. The CPAP<sup>52</sup> mentioned the need for annual reviews based on lessons from annual project reviews (APR); however, the first-ever CPAP review took place only this year, covering the work of 2012. A few project evaluations and reviews were carried out in the past few years,<sup>53</sup> although systematic follow up actions following these evaluations remain weak.

Regular monitoring of activities by project staff is geared toward monitoring delivery of project activities, physical quantities and project outputs. The effects and results of completed activities are reported based on design and technical parameters, instead of actual post-implementation assessment of actual benefits and results. Even project appraisals undertaken when any proposal comes from the Government departments and/or provincial /district authorities are limited to technical appraisals, and do not examine social and economic issues. Project staff in provinces use a standard format which tracks progress in implementation for their monitoring visits.

Failure to monitor progress towards gender equality is a weakness in the current project M&E systems. For example, within NABDP only a small fraction of funds that are directly targeting women are monitored as contributions to gender equality and women's empowerment. The NABDP has little disaggregated data to show differential benefits to women and men, and staff generally believe that infrastructure projects benefit both sexes equally, although interviews with both groups (men and women) during the evaluation showed that both have different priorities and perception of benefits. The recently recruited gender specialist in the CO has developed indicators to be included in the M&E of various projects which will be discussed and finalized during workshops with each project. Once introduced, the added indicators are expected to address the weakness of project monitoring of gender.

MRRD (which is the executing agency<sup>54</sup> for bulk of the projects that are linked to outcome 6, NABDP, APRP and AREDP) in Kabul has its own M&E unit. According to one regional office, they do visit a random selection of projects in the field. These focus on the technical quality of infrastructure more than the social-economic effects of the infrastructure. Positive anecdotes abound, but objective documentation is scarce. This gap makes it difficult to assess whether all these projects do, in fact, contribute to the CPAP Outcome. The regional offices imply that there is very limited ground-level monitoring or evaluation by UNDP personnel, even for those projects that are paid for by UNDP core funds. Visits from senior UNDP

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<sup>52</sup> Country Programme Action Plan 2010-2013 Between the Government of the Islamic Republic of Afghanistan and the United Nations Development Programme, December 2009

<sup>53</sup> At least three evaluation/review reports were seen by the evaluation team: (1) Samuel Hall Consulting, Fieldwork Synthesis of NABDP Beneficiary Assessment, UNDP, February 2013. (2) Independent Management Review - Final Report. National Area Based Development Programme (NABDP) III Afghanistan. 2010. (3) Evaluation of Gender Equality Project, Phase I.

<sup>54</sup> APRP is implemented by a number of Ministries and MRRD is one of them.

Kabul staff were rare and when these happened, most of the time, these were focused on administrative and compliance issues, rather than strategic or programmatic guidance.

**Conclusions:**

1. Lack of donor coordination of support to various Ministries has created multiple structures and units.
2. The cost of doing business is high in Afghanistan because of security and restricted access. In this regard, it is important to emphasize value for money which has not received much attention in programming.
3. Monitoring and reporting are predominantly activity and output oriented at the level of UNDP as well as project management.
4. Monitoring and reporting of progress towards gender equality have been weak and are being slowly addressed by the CO.

#### 4.4 Sustainability:<sup>55</sup>

Sustainability is concerned with assessing whether the benefits of an activity are likely to continue after donor funding has been withdrawn.

**Lack of clear exit strategy and rapidly changing aid and development context in Afghanistan have implications for sustaining the results of several of the programmes for which the GIRoA is yet to develop a sense of ownership.**

##### 4.4.1 Ownership by the Government

Ownership by the GIRoA of various initiatives related to outcome 6 will depend on continuation of funding beyond 2014. That the future funding scenario remains unclear and a clear picture in this regard is unlikely to emerge until after the Presidential elections next year – and well beyond that – makes any assessment of sustainability difficult. This is a key issue for NABDP, which is a time-bound project in MRRD. Some of the evaluation’s informants indicated that NABDP might lose its importance in the GIRoA development agenda as donors may be reluctant to continue funding infrastructure development through a project like NABDP. This factor, and uncertainty over the DDA component, means that the end of Phase III will be a turning point.

A crucial issue is that large projects such as NABDP which are heavily focused on delivering services/results using externally funded salaries for staff and consultants sitting outside the *tashkeel* (organizational chart which shows the approved staff establishment) have been weak in developing the organizational capacity at district or provincial level, according to several government officials and project staff interviewed for this evaluation in provinces and districts; on the contrary, this mode of operation in some cases actually inhibits the provincial staff and MRRD units from developing. NABDP has not sufficiently invested in building

<sup>55</sup> (1) Questions/Issues examined: How strong is the level of ownership of the results by the relevant government entities and other stakeholders (e.g. benefiting communities in the case of the NABDP)? (2) What is the level of capacity and commitment from the Government and other stakeholders to ensure sustainability of the results achieved? Has partnership strategy enabled integration and embedding of programme implementation in the government system? (3) Does the project have an exit strategy? What will happen at the end of the project? What could be done to strengthen sustainability?

MRRD's capacity for the Ministry to fulfil its responsibility to support local governance institutions once the current programme comes to an end.<sup>56</sup>

The availability of (donor) finances, earmarked or not, to continue delivering expensive projects in more than 400 districts will be in question. Sustainability of several of the projects which require ongoing maintenance is uncertain. Micro Hydro Power projects (MHP), for instance, require regular maintenance. While notionally, sustainability mechanism for MHP has been established whereby communities collect a tariff that covers the cost of maintenance (2 people from each community are trained on operations and maintenance), how communities pay for major repair and maintenance once current maintenance contracts with suppliers run out will be a crucial factor. This requires a detailed study before a clear conclusion can be drawn on their sustainability.

#### 4.4.2 Exit strategy

The RED projects will see the end of earmarked project funding by their donors, and continuation of the work initiated will depend on AREDP's ability to mobilize additional funds. At present, there is no exit strategy, and in all likelihood, the momentum generated through the VSLA and rural enterprises may be lost.

An urgent issue that needs resolving is the management of village funds – currently estimated at over Afgh 57 million (or US\$ 1million) – which are now being used as revolving funds accessed by small businesses like repair workshops, agro processing, farming, tailoring, village shops and other petty trades in the villages. Currently the AICB is helping communities manage these funds but it is unclear what will happen once AICB's current contract comes to an end in March 2014. Afghanistan does not have any system of rural banking, nor is there any regulatory framework for facilitating rural financial institutions. Microfinance institutions that exist cater only to urban areas. This is an area where it would be expected that UNDP play a role in helping the GIRoA develop appropriate regulatory framework and institutions which could strengthen rural banking building on VSLAs. The expertise of UN Capital Development Fund (UNCDF) and experiences from India and Bangladesh in particular on various models of rural banking could be useful in this regard.

The short-term horizon for GEPII will most likely not be adequate for MoWA to have developed sufficient capacity to effectively fulfill its monitoring and oversight role of gender equality and women's empowerment within the GIRoA. It is equally unlikely that MoF will have internalized full capacity to continue to play its key role in fostering gender responsive budgeting once GEP ends.

#### ***Conclusions:***

1. The last decade of development in Afghanistan saw some semblance of predictability in terms of foreign assistance for security, prospect of continuity in political institutions and leadership, and receiving a steady, if not increasing, commitment of foreign assistance. None of these is valid anymore, and how the country deals with this tremendous change will influence Government's commitment and ownership of outcomes achieved so far.
2. There is no evidence of any exit strategy, especially for the livelihoods and private sector development component of the programme which, if not developed urgently, is going to affect the ongoing programmes which are currently funded only till March 2014.

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<sup>56</sup> UNDP – Afghanistan Sub-National Governance and Development Strategy Annexes, July 2013

## 4.5 Cross-Cutting Issues:<sup>57</sup>

### 4.5.1 Gender equality

Gender equality is intended to be an integral aspect of all UNDP projects. In practice, however, gender is seen as a women's issue to be carried out by women in all projects, although recent developments in the CO provide a good basis for framing a way forward towards strengthened attention to gender perspectives in project design and implementation.

A gender cluster was established in 2011 by the CO, with the idea of developing a programme-wide approach and methodology for gender mainstreaming, identifying entry points and opportunities for establishing linkages between different programmes on gender specific issues, and developing institutional capacity and knowledge to enable gender mainstreaming within UNDP projects/programmes.<sup>58</sup> A gender equality strategy<sup>59</sup> for Afghanistan was developed mid-2013, outlining immediate and medium-term intentions. While UNDP intends to continue its current Gender Equality Project and undertake new and expanded activities in this area, its engagement will rely primarily on coordination and synergies among activities in all of its programme clusters.

With the recruitment of gender focal point within the cross-practice unit, the CO has strengthened its capacity to monitor gender equality outcomes within each project. Expectations regarding gender equality outcomes however have to be reasonable. There are strong traditional barriers and obstacles to overcome. In addition, the current gender structure of project staff at sub-national level is not entirely conducive to promoting gender equality in practical work - within the NABDP for example, in one region visited by the evaluation team, only 2 out of some 22-24 provincial staff members were women (one gender specialist and one community mobiliser). Several examples were cited in Herat and Balkh by different project teams of women not given priority in recruitment as hiring a woman pushes up costs associated with outstation travel<sup>60</sup> which is required in most project jobs. There are thus prevailing internal structural issues that may require attention.

### 4.5.2 Human rights based approach (HRBA)

The HRBA emphasizes underlying inequalities and discrimination which inhibit development of the poorest as well as marginalized groups and those who are vulnerable to discrimination.<sup>61</sup> The evaluation team found no evidence that attention is paid to equity issues, except for the inclusion of women's empowerment elements in projects. Gender equality and women's empowerment is an inherent element of HRBA, but not sufficient. The current tendency is to treat all women as a homogenous group. In reality, there are huge differences between a woman from the elite and a poor disabled woman living in a rural village of Afghanistan, an aspect not very visibly considered and discussed in programming.

Targeting based on poverty in resource allocation is generally weak, both in terms of geographical targeting and in terms of beneficiary targeting. The evaluation team did not find evidence of proper set of criteria being used when selecting individual beneficiaries. The decision-making bodies for projects and direct beneficiaries include a large share of members from the elite sections of the communities. In the context of Afghanistan with traditional

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<sup>57</sup> Questions/Issues examined: How has UNDP's programming incorporated gender equality, rights based approach and human development priorities in all aspects of planning and implementation?

<sup>58</sup> ROAR (2011)

<sup>59</sup> UNDP Afghanistan. 'Gender Equality and Women Empowerment Strategy', 2013.

<sup>60</sup> Travel becomes more expensive because when a woman travels overnight, she needs to be accompanied by a brother or her father, thus requiring two tickets and costs of additional accommodation.

<sup>61</sup> United Nations Office of the High Commissioner for Human Rights. 'Human Rights Dimensions of Poverty in Afghanistan', 2010.

patronage system, where people's current status in the social hierarchy and their access to powerful patrons determine whether or not they benefit from external support, continuing to rely on traditional structures for selection of beneficiaries does in reality undermine a HRBA in programming.

**Conclusion:**

1. While UNDP has made good progress in taking forward gender issues through its programming under the outcome 6, adequate attention has not been paid to equity issues and targeting based on criteria of poverty and vulnerability.

## Section 5

# Overall Conclusions on Performance, Lessons and Recommendations

### 5.1 Progress on Outcome:

The CPD for 2010-2013 emphasized on expanding the programme's outreach at sub-national level and deepen the functioning of transparent and accountable democratic governance.<sup>62</sup> Although not explicitly articulated in the outcome 6, several activities under outcome 6 have contributed significantly to creating and strengthening participatory structures like District Development Assemblies (DDA), Provincial Women's Development Councils (PWDC) and Provincial Peace Councils (PPCs) that work with district and provincial administration. An important outcome has been a gradual acceptance by communities and male-dominated power structures in provinces and districts of women's participation in economic activities and local governance. Though not all the shift can be attributed to UNDP or its work on outcome 6, these structures (DDA, provincial councils, women's councils) have certainly made significant contribution. Going into the future, UNDP needs to make sure that the principles, practices and lessons from these are brought to bear on any formal structures that are developed at national and provincial levels.

The Gender Equality and Empowerment Project (GEP) in particular has contributed to pro-poor policy development and reached out to vulnerable women. GEP has been successful in developing an approach to providing livelihoods to rural women which, besides providing supplementary income, has created social space for women to be engaging in economic activities and ushering in a gradual change in societies' attitude towards women's role outside their homes. The group savings and loan model developed under the RED-KAN project provides financial access to the poor for diversifying livelihoods and, as a model, has potential for further development and replication.

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<sup>62</sup> UNDP Afghanistan. Country Programme Document for Afghanistan (2009-2013)

Overall, the contribution of the programme towards greater government's capacity for poverty reduction and private sector development (output 6.1) has been small, partly due to the fact that a large proportion of the focus of the programme has been on infrastructure development, the contribution of which to the outcome remains unproven. Interventions for private sector development under outcome 6 are yet to demonstrate their effectiveness in terms of increased opportunities for income generation and diversified livelihoods. The experience shows that in a country where chronic under-investment and limited capacity of market to sustain significant growth in private sector is a problem, developing private sector alone has limitations in terms of its ability to contribute to poverty reduction. Poverty reduction and private sector development for economic growth need to be seen as two different, though complementary, aims in programming terms. UNDP needs to enable GIRoA at both central and provincial levels to focus on poverty and vulnerability that seems not to have received the primacy it deserved in the country's policy-making. To this extent, the statement of outcome 6 as it currently stands is problematic as it conflates private sector development and poverty alleviation together. Based on where the outcome has had most results or potentially could make an impact, the outcome could be redefined as: '*Create institutional framework and capacity for pro-poor and gender-equality based development for Afghan people to reduce poverty and create sustainable livelihoods.*' This would put a clear focus on pro-poor policy and development.

UNDP's distinctive contribution to the outcome has by and large been in channeling funds from donors to the GIRoA, with little value addition. Key informants from the government, UNDP, various projects and donors who were interviewed failed to identify a single area where they thought UNDP added significant value in programming terms. External stakeholders noted that UNDP's leadership in the country to play a coordinating role for the international aid system or in taking forward critical development issues with the GIRoA has been weak or minimal, although it needs to be acknowledged that UNDP's role in coordinating aid is a complex issue, given that UNAMA has the primary mandate on this.

Project staff in all locations visited by the evaluation team have not had much support in terms of programme strategy or quality from their headquarters team – some even suggested that the evaluation team's visit was the first occasion when they had critical programmatic discussions in a long time. Internal processes for reflection and learning are non-existent. Teams working on different projects barely exchanged information, let alone learned from each other – a clear example was difference between the well-designed and targeted income generating activities supported by GEP and a similar activity in the same area (Balkh) with another group of women under NABDP's women's empowerment programme which clearly could benefit from the systematic approach taken by the former. It is understood that UNDP is fully aware of this weak inter-team linkage and synergy and in recent months, steps have been initiated to have greater cross-programme learning and interactions within the country programme team.

Last but not the least, while UNDP's country programme planning has moved increasingly toward outcome-focus, monitoring and reporting still remain predominantly activity and output oriented at the level of UNDP as well as project management. This is partly due to the way outcomes and indicators are defined, and partly due to staff capacity which has been geared toward measuring input and activities. There was substantial inconsistency in the outcome statements, outcome indicators and corresponding output indicators, and the outcome statement overstates the emphasis on livelihoods and private sector development, if one looks at the *actual* contribution to this by the various programmes under the outcome 6 umbrella.

The evaluation saw no evidence of any exit strategy especially for the livelihoods and private sector development component of the programme.



## 5.2 UNDP's Strategic Positioning in the Changing Context:

The country is going through significant changes in its aid, development and political context. The current context is being labeled as a transition period and even the boldest projections lack certainty about what will emerge once the transition period ends in the next two or three years. The post-transition context will be challenging for development programmes which will take place in the context of lower economic growth<sup>63</sup> and reduced international assistance. With little prospect of continuing donor commitment to ANDS, the latter is losing its currency as the guiding framework for GIRoA plans. The Government is basing future plans on 22 National Priority Plans, grouped into six clusters. This changing context also offers opportunity to refocus the development agenda.

As the CPD<sup>64</sup> noted, in critical Millennium Development Goals, such as extreme poverty and hunger, the trend is regressing: 42 per cent of population now live below the poverty line, as compared to 33 per cent in 2005. The poorest now comprises 10.5 per cent of the population, as compared to 9.3 per cent in 2005, and 39 per cent of the population receives less than the minimum level of dietary energy consumption, compared to 30 per cent in 2005. Despite the efforts of the international community and the enormous resources invested, human development is showing improvement only in the health and education indicators (CPD, 2010-2013). In terms of absolute numbers, this means there are almost ten million people who are unable to meet their basic needs. There are many others who live on the margin and are vulnerable to impoverishment. It will therefore be important to identify development plans that are geared to reducing poverty, food-insecurity, and increasing employment and livelihood possibilities. And for this to happen, evidence-based policies and practices will have to be brought to bear on the national agenda.

This does call for renewed thrust on poverty, food insecurity and vulnerability in the country's economic growth and development policy. In the last decade, donor funded projects have led the development landscape in the country, with policies merely trying to catch up. UNDP's distinctiveness globally is its ability to set the agenda for MDGs and pro-poor development, although not much of this has been demonstrated in Afghanistan context so far as, like all Agencies and government, UNDP has been preoccupied with running projects and channeling funds on behalf of donors.

The coming planning process offers UNDP an opportunity to reclaim its leadership on policy and programming focused on poverty and vulnerability. Its credibility with government and perceived neutrality are strengths to build on.

The VSLA work in Kandahar offers interesting lessons for scaling up as well as for policy development in the area of inclusive finance. In close partnership with UNCDF and NGOs, UNDP can help develop regulatory framework for rural banking and expand the work to other provinces, although on its own, this will run into limitations. Evidences emerging from experience with poverty alleviation and development of livelihoods in rural Afghanistan suggest that because of weak infrastructure and input provision, poor access to markets and powerlessness associated with poverty and inequalities in resource access, nonfarm employment in the current scenario does not provide a significantly better option for the majority of the poor.<sup>65</sup> The 2007/08 National Risk and Vulnerability Assessment (NRVA)

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<sup>63</sup> Richard Hogg et al. Afghanistan in Transition: Looking Beyond 2014. The World Bank, 2013.

<sup>64</sup> Country programme document for Afghanistan (2010-2013)

<sup>65</sup> Paula Kantor and Adam Pain. RUNNING OUT OF OPTIONS - Tracing Rural Afghan Livelihoods, AREU January 2011



also suggested a general failure of nonfarm diversification to lift rural households out of poverty across Afghanistan.

Afghanistan has many programmes under the ‘rural development’ rubric, but they have few interventions with directly focuses on the very poor food-insecure rural households. This is where lessons from similar contexts in other countries could be useful. In particular the Productive Safety Net Programme (PSNP) in Ethiopia which has reoriented rural safety net to better respond to the needs of food insecure households and create productive investments to underpin rural economic growth and environmental rehabilitation would be highly relevant in the Afghan context. The main objective of PSNP is to provide a more sustainable and predictable way of addressing chronic food insecurity.<sup>66</sup> This is achieved through: (i) the predictable provision of adequate food and cash transfers to targeted beneficiary households, thus allowing effective consumption smoothing and avoiding asset depletion; and (ii) the creation of productive and sustainable community assets that contribute to the rehabilitation of severely degraded areas and increase household productivity. The approach acknowledges and enhances the social status and rights of the poor, with the overall objectives of extending the benefits of economic growth and reducing the economic or social vulnerability of poor, vulnerable and marginalized people. This does generate substantial market economy through injection of cash in the local area.

The link between poverty, disasters and conflict is another critical issue in the Afghan context. This is also one of the strategic priorities of UNDP globally. UNDP is in a unique position to bring its expertise in disasters, conflict management and peace building from countries like Kenya where it has developed interesting models of State-civil society collaboration.

### 5.3 Lessons for the Future:

There are several important lessons for future programming that emerge from this evaluation:

1. The theory of change needs to be strongly aligned to the intended outcome which means that activities, outputs and programmes which form the foundation of the outcome need to be coherent and in congruence with each other. The weaker the alignment, the more difficult it is to monitor and assess the contribution of various activities to the outcome.
2. In a country where chronic under-investment and limited carrying capacity of market is a problem, developing the private sector has its own limitations in terms of its ability to contribute to poverty reduction. Poverty reduction and private sector development for economic growth need to be seen as two different, though complementary, aims in programming terms.
3. For rural livelihoods programme to be successful, key elements of success – as demonstrated by REDKAN and GEP - include (i) selection of local skill-based activities which produce for local markets; (ii) producers directly linked with local markets; and (iii) regular monitoring and support by project staff.
4. The group savings and loan model developed under the RED-KAN project provides financial access to the poor for diversifying livelihoods and, as a model, has potential for further development and replication.

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<sup>66</sup> Christopher Barnett, Teigist Lemma, Joe Martin, Mohammed Mussa, Charlotte Vaillant and Lissane Yohannes. *DFID Country Programme Evaluation, Ethiopia*

5. The poorly coordinated projectized approach to development assistance which are not integrated in the line ministries cause duplication in structures, thus adversely affecting the factors for ownership and sustainability of outcomes.

## **5.4 Recommendations:**

### ***Strategic***

- R1: Undertake a review of country office's capacity for senior level leadership on programming focused on poverty and exclusion, with knowledge management capacity to draw on experiences and good practices from other countries and UNDP programmes globally, and put in place appropriate team structures for evidence-based policies and programming for addressing poverty, vulnerability, disaster risks and conflict.
- R2: UNDP needs to make a switch from acting predominantly as a funding mechanism for projects to the role of a strategic adviser and partner to the Government with ability to engage the latter on evidence-based policy making focused on poverty-alleviation and MDGs.
- R3: Develop partnership with NGOs who have expertise in livelihoods and group financing model to scale up the rural savings and loans model currently implemented in one of the projects (RED-KAN), and working with UN Capital Development Fund (UNCDF), develop regulatory framework for rural banking
- R4: UNDP to lobby GIROA at appropriate levels to ensure that when the District Coordination Council (DCC) policy is approved and implemented, the principles and good practices put in place by DDAs are incorporated into district governance.

### ***Project management***

- R5: Review NABDP's positioning vis-a-vis outcome 6 given that bulk of NABDP's current focus is on areas which make only peripheral contribution to this outcome.
- R6: NABDP's work on micro-hydro power projects may have potential for future expansion to provide viable energy source to rural people. UNDP/NABDP needs to undertake an impact assessment of this initiative before embarking on an expansion of this activity.
- R7: Undertake a systematic outcome assessment of GEP programme in the next one-year, and based on the lessons learned, scale up the programme to reach a substantially larger number of communities.

### ***Strengthening outcome focus***

- R8: UNDP needs to define outcome indicators in terms of changes in behaviour (access to loans and government services, food security) and relationships (participation, partnership, capacity) of people, groups and institutions with which the various projects work directly.
- R9: Reinforce staff capacity on outcome monitoring, rights-based programming and in providing strategic programme support to project and implementing partner staff.