Assessing the NSP: The Role of Accountability in Reconstruction

Afghanistan 2007
Report Author

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Acknowledgments

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Tiri

Tiri is an international NGO based in London that partners with civil society, governments, and business to create networks of committed change agents dedicated to strategic integrity reform. Tiri is an incubator and facilitates innovative reforms and provides a critical learning platform to disseminate cutting-edge experiences.

This paper is part of a series of eight studies of post-war reconstruction countries commissioned by Tiri and funded by the Norwegian Ministry for Foreign Affairs and the Foundation Open Society Institute. All studies are accessible on www.tiri.org

Eight local policy centres undertook research using a shared terms of reference. The countries covered are Afghanistan, Bosnia Herzegovina, Kosovo, Lebanon, Mozambique, Palestine, Sierra Leone, Timor Leste. The research is the basis for an advocacy and monitoring agenda to promote integrity in reconstruction both within the eight countries and internationally. Together, these groups form the Network for Integrity in Reconstruction (NIR).

All material contained in this survey was believed to be accurate as of January 10th, 2007. Every effort has been made to verify the information contained herein, including allegation. Nevertheless, Tiri does not accept the responsibility for the consequences of the use of this information for other purposes or in other contexts.
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The goal of Integrity Watch Afghanistan is to “increase transparency, integrity and accountability in Afghanistan through the provision of policy-oriented research, development of training tools and facilitation of policy dialogue” putting corruption under the spotlight so that society and policy makers can engage in dialogue and develop solutions. IWA has already produced the first research on integrity issues specific to the Afghan context and has also been able to put together a competent and committed team composed mostly of highly skilled Afghan researchers. IWA is committed to function as an independent and accountable organization and thus all strategies and programmatic activities of IWA will be directed by an executive under the guidance of a board composed of well-respected Afghan and international personalities of high integrity. IWA's board is composed mainly by Afghans who represent two thirds of its members and internationals representing the other third.

For further information see: www.iwaweb.org
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<td>AFA</td>
<td>Afghanis</td>
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<td>AREA</td>
<td>Agency for Rehabilitation &amp; Energy Conservation in Afghanistan</td>
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<td>AREU</td>
<td>Afghanistan Research and Evaluation Unit</td>
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<td>ARTF</td>
<td>Afghanistan Reconstruction Trust Fund</td>
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<td>BG</td>
<td>Block Grant</td>
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<td>CDC</td>
<td>Community Development Council</td>
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<td>CDP</td>
<td>Community Development Plan</td>
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<td>DAB</td>
<td>Da Afghanistan Bank</td>
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<td>ERC</td>
<td>External Review Committee</td>
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<td>FGD</td>
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<td>FP</td>
<td>Facilitating Partner</td>
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<td>GTZ</td>
<td>Deutsche Gesellschaft für Technische Zusammenarbeit</td>
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<td>HQ</td>
<td>Headquarters</td>
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<td>ISRA</td>
<td>Islamic Relief Agency</td>
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<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MIS</td>
<td>Management Information System</td>
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<td>Ministry of Finance</td>
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<td>MRRD</td>
<td>Ministry of Rural Rehabilitation and Development</td>
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<td>NDB</td>
<td>National Development Budget</td>
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<td>NDF</td>
<td>National Development Framework</td>
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<td>NPP</td>
<td>National Priority Program</td>
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<td>NSP</td>
<td>National Solidarity Program</td>
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<td>OC</td>
<td>Oversight Consultant</td>
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<td>OM</td>
<td>Operational Manual</td>
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<td>PRDU</td>
<td>Post-war Reconstruction and Development Unit of York University</td>
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<td>PRR</td>
<td>Priority Reform and Restructuring</td>
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<td>RRD</td>
<td>Rural Rehabilitation and Development, Provincial Department</td>
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<td>TTL</td>
<td>Task Team Leader</td>
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<td>WB</td>
<td>World Bank</td>
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NGOs serving as FPs  See annex 2 for the full names of FPs
Introduction: the concept and the actors

The National Solidarity Program is a government-led program, i.e. defined by the Afghan govern-
ment taking into account its post-conflict reconstruction priorities. A few months after the transi-
tional government was set up, there was wide recognition that, in order to get people’s support,
the Afghan State had to be visible to the rural population who supposedly formed more than 80% of
the population. It had to interact with people, mobilise them for further support and help them
participate in the reconstruction process. This led to the design of the NSP, which, expectedly, also
offered some sort of solidarity, as the program was applied equally in all villages and regions.
Some even expected (surmised?) that this might help reinforce an “imagined community” of Af-
ghans.

The concept of the NSP is based on direct block grants (BG) allocated by the government to com-
munities for rural infrastructure projects. Communities are formed of 50 or more families, each
getting 10,000 AFA (200 USD). The ceiling for a block grant was 60,000 USD, i.e. the equivalent of
the amount for 300 families. However, this has been moved to a slightly higher sum in order to
allow bigger communities to benefit equally from the program. Each community has to elect repre-
sentatives who will form the Community Development Council (CDC), the main decision-making
organ. In order to avoid a situation where candidates get threatened or run for the competition
out of fear of local power holders, the elections follow a “no-candidate” rule. They would be valid
only if at least 60% of the community participated, thus requiring the participation of women. The
CDC is the main interlocutor of the government and other actors. It designates members who will
be responsible for financial management, including opening a bank account in the name of the
community. In addition, the CDC can establish specialized committees responsible for procure-
ment, maintenance, surveillance and monitoring, awareness raising etc.

The government hires the services of non-governmental organizations (NGOs) to facilitate the
process of implementation of the program. An Oversight Consultant (OC) and the Facilitating Part-
ers (FPs) carry out facilitation. Facilitation and BG costs are clearly distinct in the program. The
OC is responsible for drafting the Operational Manual, supervising FP contracts, approving the pro-
jects submitted by communities and managing the disbursement of block grants. The Operational
Manual is a practical guideline for NSP which defines the role of all stakeholders, sets the rules and
procedures that need to be respected, especially those regarding the organizational structure, the
cycle of activities, finance, procurement, social and environmental concerns, and complaints pro-
cessing. It has been drafted with the mandate “to ensure consistency, transparency and account-
ability in the application of project management procedures at all levels”. The GTZ is currently the
OC and employs some 694 employees as of January 20062. FPs include Afghan and international
NGOs and a UN agency (UN-Habitat). There are 24 FPs currently under contract. They are respon-
sible for facilitating the mobilization of communities, the election process, the training of the CDCs,
the prioritization of projects and the drafting of proposals. They are accountable to OC for their
performance.

The government has had a limited role in the implementation of the program. The Ministry of Rural
Rehabilitation and Development (MRRD), which was in charge of the NSP, approved the FP and OC
contracts under the World Bank procedures. MRRD designates what constitutes a community and
provides the estimated number of families, and therefore, fixes the amount of the block grant. It
also determines the geographic zones to be progressively covered by the NSP each year. In addi-
tion, it is in charge of the overall execution of the program, including fund raising, communication,
monitoring of the program and contracting the external evaluators. If problems (such as corrup-

1 Operational Manual, Preface, mid-October 2004, p. 4

2 OC self-evaluation report. Analysis of experiences and lessons learned, March 2006, p. 39. This included
some 204 supporting staff (guards, cleaners, drivers, cooks) and 129 integrated staff of MRRD.
tion, conflict with FP or among communities) arise, the MRRD representatives at both provincial and national levels help solve them. The Ministry of Finance, as the line institution, has the responsibility to approve the requests for funding commitments, receive the disbursement of funds and report on expenditures to donors through the ARTF.

The World Bank is involved in the NSP through the administration of the Afghanistan Reconstruction Trust Fund (ARTF). A National Priority Program, the NSP has become one of the investment programs of the government, therefore part of the Investment Window of the ARTF. More than 95% of funds allocated to the NSP arrive through the ARTF channels. The World Bank has a Team Task Leader in Kabul who is in charge of the NSP. The Bank has to give a “no objection” for contracts worth more than 100,000 US. It also carries out regular evaluations of the program. Donors can show their preferences for the NSP under the rules and guideline of the ARTF, but cannot earmark specific funding.

A complex chain of accountability

“NSP is so complex. There are so many levels through which accountability and aid-effectiveness is ensured that you need to be more specific if you want to measure them.”

FP Representative, Kabul

“For lots of people, NSP is a big family. No, everybody felt integrated! We are moved all by the same values, the same goal.”

OC Representative, Kabul

“One thing is for sure. Thanks to NSP, we now know that we are part of a same country. We know that across the valleys, there are communities who get equally the same support from the government.”

Villager, Parwan

The idea

The National Solidarity Program (NSP) was not an airlifted project by an international agency at the early stages of the reconstruction process. Rather, it was designed and initiated in 2003 under the Ministry of Rural Rehabilitation and Development (MRRD) and funded by a consortium of international donors. The World Bank was initially in charge of funding coordination, especially through the ARTF, which funded most NSP expenses.

The main idea in the design of NSP gave a sense of déja vu, as international actors had designed such programs in other countries in the process of being reconstructed. This was the case in Rwanda and East Timor, for instance, and fit into the model of participatory peace building. The assumption behind the participatory process has been that any top-down reconstruction process, in order to ensure legitimacy from periphery populations, must have some programs allowing for the active participation of local populations. However, participatory peace building as an imported idea has had differing degrees of success and things went wrong when the program was designed

3 Jarat Chopra and Tanja Hohe, Participatory intervention, Global Governance, 10, n° 3, September 2004
in a way that it was seriously challenged by local customs, institutions and practices. For instance, in East Timor, the World Bank and ADB established the “Community Empowerment and Local Governance Program” (CEP), which aimed at introducing some local participation in the highly top-down hierarchical design of the UN-led transitional administration. In order to avoid being seen internationally as inequitable and gender biased, the CEP copied a principle from the World Bank's Indonesian experience consisting of financing local councils at the sub-district level which were considered the weakest councils compared to the village and district levels of Timorese social organization. This had to allow new gravity centres of power not influenced by village chiefs who held the political authority within communities. Precisely the opposite happened because the CEP councils could not compete with the socially embedded authority of village chiefs.

The Afghan program has had strong local input both in design and implementation. Hanif Atmar, who headed MRRD at this time, had accumulated many years of experience in Afghan rural development through his work in NGOs and his own academic background likely played a significant role in the design of the program. He remained sensitive to local voices throughout the implementation process. Most of the NGOs who served as facilitating partners (FPs) worked in Afghanistan over many years and were committed towards and understanding of the rural populations. The whole process was designed to be participatory and thus had more than enough room for adaptation. In fact, FPs who were interviewed for this study (as well as other FPs and OC staff through previous reports) recognized that considerable and regular amendments to the Operational Manual have taken place since the beginning of the program. This could run the risk of not being followed, as the changes required too many institutional and operational readjustments.

With this ambitious program of local participation, the NSP had to develop a complex chain of accountability in order to take into account different capacities, mandates, ownership levels, roles and positions of all actors from donors to beneficiaries. In order to ensure accountability and transparency of the national program with the most geographic spread, every category of actor had to be held responsible by a set of criteria. For the FPs, accountability was ensured through mandatory performance on the basis of outputs: number of communities mobilized, quantity of CDCs elected, etc. For CDCs, transparency was guaranteed either through mandatory and locally accepted mechanisms (posting of expenses, meetings with community members of the village) or locally meaningful accountability schemes.

**Defining Accountability**

An initial challenge in undertaking this study was the absence of a consensus in the academic debates on what constitutes accountability. Emergent forms of accountability that are, in turn, con-

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4 This was the case, for instance, in East Timor and Indonesia. See Jarat Chopra, id.

5 Ibid, p. 13-16

6 He earned an MA in development studies from York University. He did his dissertation on the institutional development of Southern NGO. Besides, his Deputy Minister for programs who became Minister in May 2006 followed a similar path, with long experience in rural development with well-reputed NGOs and an MA in development studies from York University.

7 Out of 24 FPs, only 3 (BRAC, ZOA and People in Need) were new comers to the Afghan context after the American-led intervention. Most of the FPs were either Afghan NGOs or international NGOs which have been created and developed in Afghanistan.

8 Operational Manual and contracts of FPs with OC/MRRD
tested in their academic value challenge the core definition of the concept\(^9\). The core sense defined accountability as a “process of being called to account to some authority for one's actions and therefore was characterised by "externality, social interaction and ex-change and rights of authority"\(^10\). A new type of accountability, for instance, can be drawn from the principle of responsiveness. Because the public service delivery has progressively been evaluated by their results instead of rules and regulations, it became output-oriented, market-led and, therefore, responsive to public demands and consequently remained elusive to an external authority.

Any attempt to respond to these academic debates is beyond the ambition of this study. I am, therefore, defining accountability in a slightly loose manner as a “process or a principle beyond one's control to be held accountable for one's action”. This can comprise an actor’s performance on the basis of a formal contract, but also one's concerns for reputation (commitment to local populations, professionalism or "ethics of well-spending" in Islam) through informal norms. As this definition allows for discussion of political claims over aid, it is more comprehensive than the technocratic categorization that focuses on two components of accountability: answerability (obligation of power-holders to justify their decisions and actions) and enforceability (the existence of mechanisms for punishing poor performance and non-compliance)\(^11\). Both components, which I do not exclude from my definition, require technical capacities which local populations are often lacking. By broadening the definition, the study will also assess the complementarities between different types of accountability and whether the design offers a system through which individual accountabilities lead to the overall accountability of the program.

**The Design**

The chain of actors included more than 14,000 communities who had to be mobilized, some 12,600 CDCs who had to be formed, each with 4 committees with different functions, MRRD offices at the provincial level, 24 FPs, 1 Oversight Consultant, the MRRD, the World Bank, more than a dozen funding mechanisms and agencies, and many state donors through the ARTF\(^12\). As of June 2006, the program was implemented in 34 provinces and 276 districts, with more than 16,000 projects financed (corresponding to 8,720 CDCs who received block grants). An amount of 183 million USD was disbursed in block grants out of 235 million USD committed.

At the upper echelons, most funding comes through the ARTF, a multilateral funding mechanism administered by the World Bank which does not allow for earmarking of specific projects, implementing agencies and geographic zones. The MRRD is both responsible to the government (who has to approve the budget financed through ARTF) and the World Bank for the overall spending and supervision as the administrator of the ARTF. It is responsible for coordinating with other ministries, approving and processing FP contracts through other ministries, and monitoring and managing the OC contract\(^13\).

At the middle level, the Oversight Consultant, who has been selected through competitive bidding, prepares and supervises FPs contracts with the MRRD, elaborates and updates the NSP Operational Manual, approves project proposals from CDCs submitted by FPs, manages disbursements

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\(^9\) See for these debates, for example, Tero Erkkilä, Governance and Accountability: A Shift in Conceptualization? EGPA Annual Conference, Slovenia, September 2004, and Anne Sinclair, The Chameleon of Accountability, Accounting Organization and Society, vol 20, 1995


\(^11\) Paolo de Renzio, Promoting mutual accountability in aid relationships, ODI, January 2006

\(^12\) As of June 2006, Monthly Program Report, NSP/MRRD, June 2006

\(^13\) OC self-evaluation report, Annex F
and commitments, monitors the implementation by FPs, etc\textsuperscript{14}. It is accountable to the MRRD for specified targets determined over periods, but also more generally to the procurement rules and procedures of the World Bank that are applied to the NSP. While functions between FPs and the OC are clearly defined, there is some confusion of roles and responsibilities between the OC and the NSP Coordination Office of the MRRD.

At the lower echelons, FPs are in charge of implementation, i.e. social mobilization, technical support for building development plans, writing proposals and implementing projects. FPs are directly accountable to the OC on the basis of their performance as the funding disbursements for different phases of their contracts are subject to achievements in previous steps. At the end of the chain, elected CDCs are responsible and make decisions for planning, design and implementation of projects following the needs they have themselves identified. CDCs are directly accountable to FP staff and their communities and indirectly to RRD and OC staff at the provincial level. The Operational Manual puts “transparency and accountability of budgeting and accounting” as one of the three basic principles for community level planning\textsuperscript{15}. Monitoring and transparency mechanisms and indicators by community as well as financial monitoring are detailed in the Operational Manual\textsuperscript{16}.

**Research questions and assumptions**

The overall goal of the case study was to assess the mechanisms and structures through which opportunities for corruption were created or reduced in programs specifically designed during the post-conflict reconstruction process. Consequently, NSP’s transparency and accountability mechanisms had to be examined in this specific context.

There were many assumptions regarding the NSP and the way this case study looked at it. First, we considered that the NSP was unique in design and implementation as a post-conflict program in Afghanistan. In fact, participatory development projects and programs previously existed in the country and were implemented by NGOs and UN agencies, but this was the first time that the method radically put at the centre the implementing role of communities, reshaping considerably the traditional role of NGOs. As a result, prevalence of governance objectives over “development objectives” might have helped increase the sense of ownership of beneficiary populations and their hold on accountability.

Second, there was an assumption that the relative success of the NSP compared to similar projects in other countries, outlined in World Bank reports as the best experience worldwide of the kind, meant some degree of openness to local particularities and demands. This would mean in return that there were some binding rules and norms through which implementing and executing agencies were held accountable towards local communities, their needs and demands. While this was not a sufficient proof of accountability, it allowed for orienting the enquiry into this direction.

Third, we strongly believed that the existence of both formal and often informal mechanisms of accountability among stakeholders through different interaction levels dramatically reduced opportunities for corruption. The very participatory nature of the program should have made it more accountable. Without complex and complementary accountability measures, the high amount of transactions could have exposed the program to higher risks of corruption, embezzlement or waste, potentially perceptible through the media and public opinions.

\textsuperscript{14} For detailed responsibilities, see OC self-evaluation report, Annex F

\textsuperscript{15} Operational Manual, as of 15 October 2004, p. 4

\textsuperscript{16} Ibid, p. 27-28
Fourth, as rhetoric and reality of a shift “from government to governance” have become dominant through the reconstruction process, different types of accountability had to be considered. This would involve a challenge to the core definition and traditional means of accountability. As a result, accountability had to be judged through the lenses of the stakeholders themselves (a bottom up, more democratic or more political type of it) in regard to their respective roles as well as from an external perspective (top-down, more performance based, more responsive type of it).

Fifth, corruption risks may have been reduced at the implementation level as it involved higher transaction costs for potential abusers relative to perceived gains. Even in bigger village communities where the grant money reaches the ceiling (60,000 USD)\textsuperscript{17}, local commanders and power holders may turn to other sources if the negotiation costs with the community, FP and RRD are relatively high and time consuming, or publicly expose them.

Keeping these in mind, research questions focussed on the following:

- How is accountability ensured? What kind of accountability is ensured?
- Why and how has such accountability reduced the risks of corruption?
- How did the design and implementation of the NSP guarantee or fail to guarantee aid-effectiveness, given the objectives of the program?
- What were the limitations in ensuring aid-effectiveness and reducing waste?
- How did the NSP make a difference with other reconstruction programs in terms of aid-effectiveness, integrity and corruption opportunities?
- Compared to other programs, what are the similar obstacles in terms of aid effectiveness and corruption risks?

**Methodology**

With regard to the participatory approach used in the NSP, the methods used focussed essentially on the implementation and recipient levels. However, given the limited resources for this case study, we had to limit the scope of work. Consequently, only qualitative tools were used: in-depth interviews, a few focus group discussions (FGD) and key informant meetings. In addition, as the NSP is the most documented post-conflict program, we often relied on reports, evaluations and existing written sources.

At the grass-root level, 37 in-depth interviews and 3 FGD were conducted in 15 villages distributed in 5 provinces and covered by 5 different FPs. Both CDC and community members were interviewed in each village (see Annex for details). Interviews and FGD were conducted in April and May 2006. A set of questions and themes was developed in Kabul after the reading of design documents and available reports on progress or implementation. A few key informant meetings also helped design the questionnaire. The questions looked into implemented accountability and transparency mechanisms, whether the designed tools were applicable to local realities, the local understanding of accountability, the increase in or lack of account-ability of CDCs and communities, whether the accountability issue made sense to populations and how the FPs managed to get it into local worlds of meaning, the relationship between ownership, accountability and denouncing voices against corruption, publicly known corruption incidents and the way communities, FPs, the OC and the MRRD staff dealt with them, risks of corruption and exemplary initiatives of local populations in curbing corruption and embezzlement.

There were 7 interviews with NSP coordinator(s) of FPs. These included Acted, Madera, SDF, IRC, AKDN, UN-Habitat and BRAC. Interviews were semi-structured and looked on accountability and transparency, the increase in or lack of account-ability of CDCs and communities, whether the accountability issue made sense to populations and how the FPs managed to get it into local worlds of meaning, the relationship between ownership, accountability and denouncing voices against corruption, publicly known corruption incidents and the way communities, FPs, the OC and the MRRD staff dealt with them, risks of corruption and exemplary initiatives of local populations in curbing corruption and embezzlement.

\textsuperscript{17} 3 million AFA is the ceiling for most of the communities in the year II of the NSP according to Operational Manual of mid-October 2004 and 4 millions AFA for communities more than 500 families.
corruption risks both at the grass-root level and at FP internal management. Quite a similar set of questions was used when it came to local planning and implementation of projects. Additional questions tested the level of understanding of FPs with regard to the local context and local means of ensuring accountability. Specific questions regarding FP operations and finance looked at facilitation costs, use of local resources including locally hired community mobilizers, internal and external monitoring mechanisms, differing degrees of understanding of accountability and capacities to respond, as well as identifying problems in their interaction with the upstream actors. FPs interviewed did not necessarily match with those responsible for the visited villages. All interviews were conducted in May 2006.

There were two interviews and a couple of email exchanges with the Oversight Consultant (OC) staff in Kabul. Interviews took place in June 2006 and questions looked at the accountability of the GTZ as the OC, the meaning they gave to it, whether a clear definition of responsibility and authority existed between the OC, the MRRD and the WB, the upstream general conditions, disciplinary and complaint mechanisms within the NSP, the preventive role of the OC with regard to corruption risks, estimation of the wasted money in corruption and embezzlement, the effectiveness of the delivery costs including training and integration of the MRRD staff and the future evolution of the OC role and responsibilities.

The government

The NSP was one of the six initial National Priority Programs (NPP) set up within the National Development Framework (NDF). The latter was developed by the Afghan government as early as mid-2002. There is no explicit mention of the NSP in the Tokyo Conference, but the NSP Strategy Document traced the program back to January 2002.18 Karzai interestingly linked elimination of corruption with the central government and communities’ participation in a way that is very close to political or democratic type of accountability:

“The elimination of corruption is one of my top priorities. We need an effective central government that reestablishes the national unity of the country on the basis of strong institutions and the rule of law. Simultaneously, we are likewise committed to building community level participation and management.”19

The MRRD has been the initiator and the lead ministry for executing the program. Historically, the MRRD has not been engaged in countrywide provision of public goods and especially in such a participatory manner. It was created as a ministry only in 1988 and had limited activities due to insecure conditions in provinces and low institutional and human capacities until 2001. However, the reformed mandate of the MRRD under the Interim Administration (January to June 2002) allowed for "policy and strategy formulation, program coordination, program and project execution (involving implementation through contracting partners – NGOs, UN and private sector), monitoring and information dissemination"20. The new mandate emphasized the regulatory role of the ministry leaving the implementation to private or non-governmental agencies.

The NSP has served as a pull-factor for the ministry’s monitoring capacity and account-ability. MRRD’s structure at the national and provincial levels has been reformed to reflect the functional changes that the NSP required at the core of the ministry. Because the NSP has accounted for a large part of the work of the ministry, a new department - the Community-Led Development De-
partment - has been created. Many other departments such as technical support, finance, procurement, monitoring and evaluation, and capacity development have been restructured to support this core function. The MRRD has been the only government institution, for instance, which was granted independent procurement.\(^{21}\)

The MRRD engaged in reform and restructuring even before the Priority Reform and Restructuring of the government was formally launched. Resources from the National Area Based Development Program supported a number of strategically placed national and expatriate advisors in different departments.\(^{22}\) Staff have been assigned to NSP in all provinces and an extensive training program based on “learning by doing” has been instituted.

However, reform and restructuring in the MRRD through the NSP has made a dent in the integrity of the program because it diverted resources to a usage that is not well worked out, not legally covered and in violation of ARTF rules. Since 2004, the OC has trained some 21 integrated staff in the capital at the headquarters (HQ) and some 65 in provincial offices. The details of such on-the-job training were not worked out at the design stage, but it was initially mentioned that the OC would train high-level staff. There are many problems related to this. First, the OC had to send back to the MRRD some 32 staff, mainly cooks and cleaners, who were introduced to the program but with no relevant skills for it. Second, all of those integrated at the HQ have had capacities below the managerial level and would, therefore, not take the management responsibility of the program in the next phase. As a result, the OC was unable to progressively withdraw from some of its responsibilities. Third, the top-ups to civil servant salaries by the NSP, which are considered quite natural by the government circles and the OC, were not covered by any legal framework and thus constituted a double salary not allowed under the Afghan laws. As of January 2006, there were 129 employees of the MRRD integrated in the OC and paid through its pay roll.\(^{23}\) This means that the integrated civil servants are paid twice from the ARTF: once from the Recurrent Costs for their salaries and once from the Investment Window to which the NSP belongs. Officials at the World Bank have been aware of such cases, as they have happened in at least one other program. We were told this is in violation of the ARTF rule and guidelines. There is, however, too little incentive to revert such situations, as these top-up salaries are quite acceptable to donors. They are part of an established practice in the reconstruction process and the concerned government institutions may face crises if they try to put an end to it.

The pull-factor is not solely limited to the MRRD. The NSP has had a considerable impact on the development and transparency of the financial system of the Afghanistan, with an informal sector forming 90% of the economy. Da Afghanistan Bank (DAB) could establish, as result of the NSP, district and provincial branches everywhere in the country and became visible to villagers who started to get used to the banking system and generated more demand for banking services. NSP transactions accounted for approximately 50% of transactions from the DAB’s Head Office to provinces.\(^{24}\)

The MRRD has so far had the responsibility for executing the NSP, i.e. overall program policy formulation and direction, and overseeing program implementation. This has been carried out mainly through a Steering Committee acting in an advisory capacity to MRRD. The Steering Committee has been composed of representatives from the MRRD and the Ministry of Finance (MoF). An External Review Committee consisting of donors, UN agencies, the Independent Commission for Hu-

\(^{21}\) All other ministries, as of September 2006, have to pass through the Afghanistan Reconstruction and Development Services (ARDS) for their procurements.

\(^{22}\) NPP Strategy Document


\(^{24}\) World Bank, aide mémoire, November 2005, p. 14
man Rights, the MoF and the MRRD was supposed to meet on a regular basis to review and endorse all policy and contractual issues, but it did not work out well. There were many discussions as of mid-2006 on the governance structure of the NSP mainly because the External Review Committee (ERC) did not respond well to proposed policies and strategies: not enough meetings, changing expectations of donors themselves\textsuperscript{25}. Changing expectations included a shift from the initial reinforcement of local government to a poverty reduction agenda promoted by the World Bank, gender issues and environment safeguards reflecting the concerns of some donors. This resulted in changing reports, waste of operational energy and delays. Furthermore, the roll-out planning for the NSP’s third year, which was envisaged for 4,000 communities, was extended to 6,500 communities by the ERC of January 2006 and reportedly influenced by “political criteria”\textsuperscript{26}. Decisions of this kind are normally technical and should take into the capacities of implementers.

Given the limited executive responsibilities of the MRRD, the OC and the Facilitating Partners are mainly responsible for the implementation of the program. Contracts with Facilitating Partners and the Oversight Consultant are performance based, and renewable on an annual basis. The NSP design holds Facilitating Partners accountable for performance against outputs, but provides flexibility to its partners in the choice of specific facilitation methods and work planning. The NSP Oversight Consultant will inter alia be held accountable for the timely appraisal of community sub-project proposals, timely disbursement of block grant instalments to communities, and timely submission of monitoring reports\textsuperscript{27}.

A flagship program, the NSP was extremely exposed to public attention and there was a personal commitment by the Minister to account to the media, the Parliament, the cabinet and the foreign governments. Many ministerial statements stressed the accountability of the MRRD towards both donors and Afghan recipients. This represented more constraint to the ministry. For instance, Atmar had to resume the contract of ISRA, an Islamic NGO with a long history in Afghanistan, whose work as an FP was satisfactory to the MRRD but apparently appeared in a list of suspect organizations by the US. While the ministry relied on other programs for paying highly expensive consultants and advisors over the last five years, funds from the NSP were rarely allocated to such types of expenditure\textsuperscript{28}. Only a large part of communication expenses were paid by the NSP as there was no real distinction between the NSP and ministry budget in that domain. The World Bank report recommended as a result that both entities’ “responsibilities should be distinct and their budget separated”\textsuperscript{29}. Yet, most of the MRRD communication has been based on the promotion of the NSP even if the MRRD followed more politically charged public relations.

The exposed character of the program and its success, however, aroused the jealousy of other cabinet members. Some in public, but many in private, criticised it. Increased public support from the cabinet only came when the first National Conference of CDC representatives gathered in August 2005. The latter had a spiral effect as bottom-up participation helped increase the accountability and commitment of the Cabinet. It gave a national visibility to the program and advocated for the development of by-laws to fix the legal status of the CDCs. However, the legal recognition of CDCs has so far remained an unsolved problem because i) the roles of the CDC, Provincial Councils and other local institutions are not defined, ii) the NSP has not yet covered all villages in the country and there are doubts among donors regarding the sustainability of such an approach and iii) the NSP is not seen as a governance but rather a reconstruction program by the Parliament.

\textsuperscript{25} OC self-evaluation report. Analysis of experiences and lessons learned, March 2006, p. 11

\textsuperscript{26} OC self-evaluation report, p. 7-8.

\textsuperscript{27} NPP Strategy Document, p. 10

\textsuperscript{28} Advisor to Minister Atmar, August 2006

\textsuperscript{29} World Bank, aide mémoire, November 2005, p. 19
Anti-corruption measures have been set up and enforced during the implementation. In order to avoid elite capture of benefits, the NSP emphasised external facilitation, secret ballot for CDC elections and participatory project planning. Focus on public rather than private goods, and transparency in budgeting and the use of block grants by communities were all meant to reduce the risk of corruption. Financial arrangements were put in place in order to prevent the MRRD, FP and OC staff from handling cash. The MRRD both in the provinces and the capital remained open to complaints. The minister himself received representatives of the communities where money was embezzled or fraud had occurred. This mainly happened during the first year. Atmar decided to cancel the contract of AREA after he heard of allegations of corruption in Kapissa province. Sub-contracting by Action Aid to another NGO was also the result of the cancelling of that specific contract.

The facilitation partners

The facilitation partners consist of some 24 organizations who report to an Oversight Consultant, the GTZ. Facilitation means that these agencies are paid to help communities design and develop their own projects. Thus, there is a clear distinction between the money that is allocated for facilitation and direct block grants made to communities through a specific bank account. The OC’s responsibilities include FP contract preparation and supervision, Operational Manual drafting and amending, financial management of block grants, approval of community projects submitted by the FPs, training of the FPs, monitoring and consolidated reporting. The FP role is played at the ground level and includes community mobilization, conducting elections, community development planning, capacity building of communities, proposal development, facilitation and monitoring of community project implementation, reporting to and coordination with the MRRD and the OC. Roles and responsibilities are clearly defined between the OC and FPs, but there have been overlaps between the OC and MRRD (NSP Coordination Office) in the past. There is no sub-contracting possibility for facilitation and this allows, according to an FP representative, “saving of at least 10 to 20% compared to other projects” in the same organization.

Composition of NSP total costs, December 2004 to February 2006

The accountability of the FPs is rather output-oriented, based on their “responsiveness” to client’s needs, although social accountability towards beneficiary populations is either encouraged by their job description or through the history of their involvement in Afghanistan. The FP’s performance-based contract relied in the two initial years on quantitative indicators: number of communities

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30 NSP Strategy Document, p. 7
mobilized, number of elections held, number of subproject proposals submitted, etc. FPs were paid on the basis of their performance during the previous period: 2nd year disbursement conditioned on up to 80% of the 1st year’s success. By putting strictly the accent on quantities, this has probably hindered a quality control of the FPs’ performance leading, for instance, to different outcomes in the field for a similar performance by two FPs.

Determining the cost effectiveness and cost efficiency of the program is a delicate exercise, as it requires selection of criteria that might be contested given the uniqueness of the NSP. International experience has shown that the cost of introducing community-based development is substantial\(^{31}\), but the actual cost to the government for building rural infrastructure is lower as communities contribute considerably. The NSP program delivery costs were estimated at about 20% during the design phase, with flexibility in regards to security risks. However, the ratio of facilitation cost compared to block grants was 44% at the end of the second year, 37.3% at the end of the third year\(^ {32}\). The net program delivery costs represented 34.3% of NSP total costs up to March 2006\(^ {33}\), which is quite far from the expected target of 25% for the same period.

According to an OC evaluation, the responsibility for such an increase remained in the “upstream framework conditions”, i.e. the government (MRRD and MoF) and the World Bank, because both FPs and OC have met their expected targets defined in their contracts. Ameliorations in upstream conditions (timely signature of FP contracts, replenishment of block grant funds and payment of invoices) would have allowed an increase of up to 40 million USD in disbursement efficiency and

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\(^{31}\) World Bank, aide mémoire, November 2005

\(^{32}\) World Bank, aide mémoire, November 2005

\(^{33}\) GTZ, Analysis of lessons learned and experiences shared, March 2006. The net program delivery cost consist of FP and OC services, see pie above, which accounted for 90% of total program delivery. The remaining 10% is external evaluation (3.5%), goods (4.1%), MRRD incremental costs (2.2%) and consultancy (0.5%). The ratio is based on total NSP expenses minus the latter 10%.
therefore reduced the program delivery costs\(^{34}\). Mid-2006, the OC still waited for the signature of two newly contracted FPs. There were delays of 6 months for the disbursements of funds. In general, disbursements by the World Bank have varied considerably through the investment programs of the ARTF depending on the Team Task Leader’s performance and interaction with the MoF.

OC costs cover block grant processing and monitoring (nearly half of the total) and training (21%) of MRRD and FP staff. The OC analysed the composition of the costs of FP for the NSP year II (September 2004 to December 2005) on the basis of a sample of five FPs representing 46% of the total FP costs\(^ {35}\). The breakdown of total costs allows one to see the unit facilitation cost for each of the components: the unit cost for the preparation, processing of sub-projects and disbursement of block grants, was about 0.29 USD for each 1 USD disbursement grant; mobilization and elections cost 2,250 USD on average per community; cost of formal training could be estimated at 100 USD per person-day and 25 USD for informal on-the-job training.

The reality of facilitation services, however, presents a diversity of expenses. Although geographic accessibility and security conditions did not affect the facilitation costs considerably in the third year of the NSP, they did affect the overall costs of facilitation and were reflected to some extent in the OC and MRRD treatment of FPs. FP costs varied from 17% to 25% for the same FP depending on the province. The number of sub-projects also affected the time and resources necessary to prepare, follow and monitor them because the FPs depended on the choices of communities. The least cost-effective FPs were those who relied on expatriates and were newcomers to Afghanistan\(^ {36}\). A comparative study of the FP performances was conducted in 2004, but results for their cost-efficiency remained confidential\(^ {37}\).

\(^{34}\) GTZ id. p. iv.

\(^{35}\) The sample included a UN agency, two Afghan and two international NGOs

\(^{36}\) University of York, Mid-Term Evaluation of Afghanistan National Solidarity Program, progress report, PowerPoint Presentation, February 2006, p. 37

\(^{37}\) Altai Consulting, Assessment of NSP facilitating partners. Common Final report, August 2004, p. 18
Cost efficiency of projects financed by the NSP varies depending on the types of needs they responded to and the actual costs. In order to calculate the cost-efficiency by categories of rural infrastructure built, the World Bank assessed 24 community projects within four groups including transport, water supply, energy and irrigation. Costs and benefits were estimated based on average NSP overheads and facilitation costs, actual subproject costs, and impact estimations obtained by visiting the selected villages. The results are shown as follows:

The FPs’ sense of accountability and commitment towards local populations has been a remarkable factor in increasing the overall accountability of the NSP. There is, however, an exception and a limit to this: the fact that FPs do not see the necessity for any financial transparency regarding their own budgets. Of all the FP representatives interviewed, only one of them spontaneously questioned the principle of unaccountability in the facilitation cost towards beneficiaries: "As part of a program which is destined to Afghan recipients, we have to tell them how much we get for the services we facilitate”. A majority recognized that there is a lack of accountability in the facilitation cost towards the end beneficiaries, but did not feel a moral obligation to provide financial accounts. Similarly, the beneficiaries themselves did not spontaneously denounce any lack of democratic accountability of NGOs when it came to talking about the facilitation work they did for the NSP, even though general criticism about NGOs was made in the same discussions.

Most FPs were engaged, however, in their daily work with populations in accountability efforts either by obligation or by habit and practice. The majority of the FPs in the NSP has had vast experience with local populations in their respective geographic fields. Those who worked in Afghanistan for a longer period have also been the most “reliable performers” according to an FP evaluation. They were deeply rooted into social and cultural realities of these regions and have accounted through the years for what they were doing. For example, the IRC’s experience in Logar and Paktia helped them to define a common ground for justification and the importance of accountability as seen in Islam. An emphasis on Islamic precepts and stories helped ensure that the NSP grant money was part of Bait-ul-Mal, a collective property, which cannot be used as a private good. Such use of common resources would mean an abuse for private purposes, thus corruption. Many FPs used the facilitation services of mullahs, held meetings and publicised their expenses in the mosque. Justification on the ground of Bait-ul-mal came very naturally through many examples of discussions in the mosque. Yet, in some cases, it ended with “a little something” from the NSP budget to the mullah’s expenses.

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38 Altai Consulting, Assessment of NSP facilitating partners. Common Final report, August 2004, p. 8
Some FPs encouraged broader gatherings or advisory councils consisting of traditional populations’ representatives and local authorities. These councils transformed themselves into a distant account-holder, which had an eye on the progress, implementation and obstacles to NSP in a district or a province. The IRC used such mechanisms at the provincial level and obliged itself to report to these consultative councils on the advancement status of the NSP on a monthly basis. The SDF convened a “Council of village leaders” at the mobilization stage and sought their accord before engaging the NSP in each new district. The SDF also considerably relied on elders for monitoring of procurement, project implementation, etc. AKDN incorporated the NSP into Integrated Development Plans of up to 5 years comprising multi-sector interventions in a geographic area. Such engagements encouraged more profound interaction with local populations. The AKDN participated in supplementary facilitation costs (i.e. that are not foreseen in the NSP manual and sometimes reflect direct contribution during the implementation) and obtained as a result community contributions of up to 50% in NSP projects. In other cases, community gatherings engaged in social auditing of projects, in turn requiring responses by FPs and accounting for their decisions in front of villagers. This was, for instance, in the form of asking the quantities and the prices used (and for which FPs have given approval) compared to an expert’s evaluation of quantities (for infrastructure) or simply the prices in the market checked by a group of individuals other than those who had the responsibility for procurement.
All FPs engaged in building capacities within communities to monitor and give account for the money they received. These activities consisted of training in financial management, procurement, reporting and monitoring. Many NGOs had their own package of experiences to offer in addition. SDF was strong on conflict resolution and peace building modules, which often helped to resolve protracted conflicts in villages. It also helped set up sector networking in order to allow communities to get access to more resources and funding in the same sector. Often, communities received a contact list of NGOs, UN agencies and government authorities working in the same area or sector. The IRC also trained communities in getting access to more resources and assessing the positive impact of a given project. Thanks to such actions, the CDCs have become in many regions the obvious partners for development.

The use of local resources by FPs can be considered as another factor for their commitments in terms of accountability. Local recruitment of community facilitators and use of local materials and resources are encouraged by the Operational Manual. Only one interviewed FP, the SDF, applied a different approach by hiring community facilitators who did not originate from the same district where they worked. This was justified on the ground of a recruitment policy, but also their specific approach to the NSP: “outsider community facilitators are impartial third party interveners in disputes involving communities”. All other FPs tried to identify and train locally recruited staff albeit with higher costs of training. In a few cases, such as Fara, Badghis and Bamyan, it was difficult to find suitable community facilitators locally.

The FPs highly encouraged communities to engage local contractors even though this was seen as a suspicious risk for corruption by the “upstream” including the World Bank. CDC members are believed to “hire their family members or people from the village they know of” to build infrastructure or provide other reconstruction services. However, there is no strong empirical evidence that the risks of corruption in such types of contracting were higher in Afghan villages compared to a totally competitive western model of tendering. Quite the opposite, most of the CDC members did so because this was the only way to ensure that the contractor will not go away with the money or

List of goods that the NSP do not fund:

- equipment or materials that are included in the annual implementation plans by other agencies (e.g. by other government or NGO projects that are operating in the area);
- political campaign materials or donations in any form;
- weapons including (but not limited to), mines, guns and ammunition;
- chainsaws;
- pesticides, herbicides and other chemicals;
- investments detrimental to the environment;
- land (purchase or lease), under any conditions;
- construction, rehabilitation, or maintenance of any government office buildings;
- payments of salaries to government servants or the salaries of the staff of government subsidized organizations;
- payments of salaries to CDC members

any activity on land that is considered dangerous due to security hazards or the presence of unexploded mines or bombs, UXOs (Unexploded ordnance),
- any activity on land that has disputed ownership or tenure rights;
- any activity using child labour, i.e. labour from children below 15 years of age;
- any activity that will support drug crop production or processing of such crops.

The negative list will be reviewed and if necessary revised by the NSP every year. This list may not be exhaustive and future sub-project proposals that fall in the ‘grey’ area between public and private goods will be reviewed by the NSP/MRRD/OC on a case by case basis.


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39 Donor representatives with little experience in Afghanistan often made this statement. We’ve also heard this in meetings with international organizations and in conversation with some of the facilitation partners. Some FP expatriates also reacted this way while for many Afghan staff of FPs this was quite normal.
to have leverage through the social control they exerted on the contractor. The NSP impact on promoting the growth of local contractors was difficult to assess at this early stage, according to the latest evaluation mission of the World Bank, but was considered to be significant\(^\text{40}\). As an example, the local contractor in one of our Parwan interviews, gave the community the guarantee that he will do the job for 10% less than the best price they could find. He finished the work quite well and contributed even more to supplementary tasks that had not been set out in the project, for which the community was delighted. At the end, this was probably a good publicity operation for him, as he developed a good reputation across the neighbouring villages where he had most of his customers.

NSP sub-projects often involved local construction materials and labour because most of the projects did not aim to build sophisticated infrastructure. It was only in a limited number of cases that the FPs could not convince villagers that the projects they chose did not meet the local conditions. This was often the case for micro-hydro power or solar panels with dry batteries, both of which required maintenance and repair that could not be carried out locally. On the use of local resources, the IRC could even provide estimations on the expenses made by communities inside their community (35%), district (21%), province (19%), and in Kabul (25%)\(^\text{41}\).

Concerning the eligible expenditure, the revised versions of the Operational Manual (see box) introduced some new clauses which avoided duplication of salaries and services already made available by other NGO interventions. Furthermore, FPs had to ensure that the social responsibility of community enterprises included internationally accepted norms against: funding of political campaigns, purchase of weapons or chemicals with ecological consequences, use of child labour etc. When school buildings were proposed by the community, endorsement was required from the Ministry of Education to ensure that these projects were included in the development plans of the ministry, and that funding of operational costs would be provided.

Risks of misuse of funds for private gains by their staff have been a permanent worry of the FPs. However, as far as facilitation funds were concerned, this subject remained rather a taboo. Only a few FPs were outspoken about the involvement of their own staff in corruption regarding the block grant money. These very few cases concerned the participation of the CDC members and in one case the bank staff. The amount of money involved in these cases was relatively high: 20,000 to 30,000 USD. It was not clear to us whether embezzlement of smaller amounts did not actually happen or was deemed negligible by the FPs.

Suspected cases of fraud, corruption or embezzlement of block grant money constituted 1 to 2% of the community grants. Only one FP stated that there was no case of corruption in the projects it facilitated, but we found under the territory of the same FP a case in which the son of a local commander who was an imposed CDC member had forcefully seized the grant money. The village was one of three randomly selected villages in the province. The community members reportedly informed the FP and MRRD staff, but nothing happened. The commander is linked to a network of other commanders and police chiefs and protected by one of the leaders in the Parliament.

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\(^{40}\) World Bank, Aide mémoire, November 2005, p. 12

\(^{41}\) IRC, Follow the Money, Power Point Presentation, November 2005
When corruption occurred through the participation of the CDC members, the FP informed the OC and obtained the dissolution of the CDC. The money was most often either stolen or disappeared with the treasurer. In these cases, local authorities or MRRD representatives forced the communities to find the individuals or bring back the money. In some cases, communities were able to recover the money. In any case, when the grant money disappeared, it was not replaced by another provision. In the eastern region, the jirgas condemned and sanctioned suspected CDC members. In a few cases, misuse of resources happened because of lack of knowledge. This was the case, for instance, for repair of the mosque in some villages which was authorised by the local MRRD representative. All these cases show how the accountability for grants money may entail enforceability both from the government and the broader community in the form of a constituency.

Internal accountability of the FPs was also ensured through internal monitoring and evaluation and varied a lot depending on the FPs. FPs interviewed had a specific unit or designated personnel to conduct the task. ACTED said it sent auditors to the field when cases of suspected misuse of funds were discovered. AKDN, for instance, regularly hired consultants to evaluate the NSP program. BRAC had some false claims of corruption, the consequence of rivalries at local level, which were clarified by monitoring agents.

The MRRD provincial directors, with the OC provincial officers, have recently been tasked to meet the FPs on a bi-weekly basis and get accounts of the work accomplished and obstacles met. However, this has not been very successful. Different reporting procedures in some provinces (Baghlan) and the Capital led to misunderstanding of the achievements. For Madera provinces in the eastern part of the country, the presence of MRRD staff was limited due to security reasons.

The general attitude of the facilitation partners regarding transparency and accountability was remarkably positive. Most of those interviewed for this study responded positively and made considerable efforts to provide documents. Some showed a particularly keen interest in reflecting on the NSP. Some of them had good quality internal evaluation reports and provided resources for monitoring the project. The IRC was particularly engaged in providing independent researchers with valuable data and analysis. The OC made a considerable self-reflectivity effort which resulted in self-evaluation reports as well as improved monitoring indicators.

To sum up, the facilitation partners constitute the core of the accountability chain within the NSP. They are answerable through performance, rules and guidelines to the upper-stream of the program (MRRD and World Bank) in the form of top-down classic accountability. There is, however, an important element of bottom-up accountability as well, through their commitment to local populations, the use of local resources and local contractors, the respect of local cultures and a concern for raising local capacities to ask for accounts of what has been implemented, according to the local understanding of accountability. They form, together with other actors, an important element in the mutual enforceability of the implemented grants by the bottom (communities) and the top

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On Governance: 5 Pillars of Governance

- Pillar 1. Maintenance of an inclusive and representative council.
- Pillar 2. Regular meetings between the CDC and the larger community (e.g. once a month).
- Pillar 3. CDC visibility and public notice boards need to be an integral part of the transparency process to keep the larger community informed of project budget expenditure, progress as well as new ideas and opportunities.
- Pillar 4. Project books and meeting documents should be kept at the CDC level. The community ownership of the programme must be built through responsibility for adequate documentation and maintenance of records at the community level, and not located with Facilitating Partners.
- Pillar 5. Creation of Project Management Committees and/or thematic committees such as parent-teacher committees, water user associations (mir-ab), health, literacy or youth committees should be encouraged as a way to involve other members of the community (in the interest of inclusion, transparency and participation) …

Source: NSP Operational Manual, p. 18

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(government) of the program. Nevertheless, it remains difficult to assess the cost effectiveness and cost efficiency of the program and the facilitation partner’s work, a concern related to the lack of financial accountability when presenting the facilitation costs.

**Communities and CDCs**

"Because we have given them our trust, we don’t have to ask them for accounts, so that the principle of trust is not spoiled”

Pashtun villager speaking about CDC members, Logar

At the community level, the degree of accountability depended on many factors. At the core of the issue, the selection or election of CDC members, especially the 4 nominal functions (head, deputy-head, secretary and treasurer) required by all FPs, played an important role. CDC election and accountability relied on the socio-political configuration of the village and communities, the experience and presence of the FP during the mobilization phase and the election process itself. Furthermore, the choice of sub-projects either reinforced or undermined the accountability of CDC.

The election process of the NSP is widely documented. It typically starts with a mobilization phase during which the FP representatives explain the goals of the elections and how they will be implemented. The community is divided into clusters of families, each of which will choose one representative to the CDC. To avoid undue influence by local power holders, there is no candidate, but each voter designates one representative. After the results are made public, the one with the highest number of votes becomes the representative of the cluster and one of the members of the CDC.

The villagers interviewed for this study showed a variety of methods and approaches with regard to the number of CDC members, selection versus election, communities’ and women’s participation, awareness raising and expectations regarding the nature of the NSP and how the elections would happen. Clusters of families often chose representatives who occupied the 4 core functions after a second round. It could also be the case that representatives of clusters with the biggest number of members became the heads. In one case, the Pashtun community did not participate in the elections apparently because of historic rivalries. After the elections finished in the village, the son of a commander, a Pashtun, forcefully obtained the position of the treasurer of the CDC. Of all the villages visited, only three did not accept to have women participate in the elections because in the previous Operational Guidelines, the minimum level of participation was 40% of eligible voters. This has now been augmented to 60%. In some villages, “even the guests who came from Kabul participated in the elections”

Traditional and war-generated institutions reacted to the elections in different ways. They either interacted or even integrated into the newly born CDCs or interrupted and opposed them. The above case obviously highlighted political affiliations and unsettled differences between a commander who was himself affiliated to the well-known warlord Sher Alam and his opponents both inside the community and at the police headquarters of the district. Communities were often divided and therefore a less satisfactory election process, in addition to the tension created, could lead to more conflicts when the sub-projects were selected or imposed. It also happened on occasion (in Badakhshan and Bamyan) that a former commander with declining power was no longer motivated to exploit community differences and therefore looked for more legitimacy from CDC

43 Community member in a village in Logar province, which is accessible by road from Kabul, with a few hours.
membership or leadership. The NSP was also the target of religious groups who considered elections a western concept and criticized women’s participation in them.

For traditional institutions, however, things went slightly differently. Most FPs could integrate them without any protest or criticism from government and donors. Elders and maleks (chiefs) of villages participated in the mobilization and legitimization of elections in Kabul province during the mobilization phase. Elders were also the guardians of integrity when it came to financial reporting, procurement controls and surveillance of the work. In two cases, when villagers had to deal with embezzlement, the elders were dispatched to government authorities and the MRRD to demand the return of the grant money.

The social structure of communities also highly affected the election of the CDC and participation of community members. In a village in Wardak province, for instance, the people were not structured along the ethnic lines (Pashtun formed 80%, Tajiks 20%) and went for ethnically mixed neighbourhood clusters. There was apparently no community conflict, but the social cohesion inside their community was loose. This led to weak participation, a weak sense of ownership and the formation of a CDC who was not interested in its people. In this village, people complained that they knew nothing about what was going on, that they were not consulted. The head of the CDC, who was a former staff of a mine-cleaning NGO, unsurprisingly reacted: “They don’t know anything. They are not interested at all. The reason is because they are illiterate. I even sent them a letter!” The head of the CDC then suggested that there should be a salary for the CDC heads. Problems arose when the community was presented with the maintenance costs of the generator. Although the community also prioritized school and hospital construction, the project was selected because other community priorities required government authorization which no one wanted to request.

Besides the social structure, prevalent norms shaped the way accountability was ensured. In Pashtun areas, where strong social cohesion was ensured by tribal structure or a significant collective identity, accountability was rather a question of trust. Jirgas were convened in these villages on an ad hoc basis when serious issues were at stake. In day-to-day business, the reciprocity of trust ensured that people who were conferred with some responsibility were held accountable. When we asked a Pashtun villager in Logar why he did not hold the CDC members accountable through gatherings he said “because we have given them our trust, we don’t have to ask them for accounts, so that the principle of trust is not spoiled”. The tone of the phrase revealed at the same time the power of social control that trust generated and the sanction awaiting those who abused that trust. The “trust principle” worked in many villages and was an effective tool for ensuring accountability.

In a more general way, the NSP arrived to villages with some kind of meta-accountability. When people believed in the principle of universality of this program, i.e. its application to all village communities without predefined criteria of needs by external actors, there was automatic support, a natural sense of ownership of the program which fostered the acceptance of the program by communities as well as their increased sense of responsibility towards it. People often said: “we knew it will come”, “that is our program”, “it is for all Afghans, for everybody”. This early sense of ownership, however, was later confronted with the power and social realities in the villages and with the different approaches of the FP and provincial offices of the MRRD.

In spite of this, the abuse of community funds by power holders or individuals was limited due to design of the NSP and the transaction costs related to the necessary negotiations with communities. Out of 15 villages visited, abuse of funds occurred in two cases. This is much higher than the 1 to 2 percent stated by many FPs, probably significantly underestimated. Yet, financial volumes lost represented less than 40% of block grants in each community and compared to misuses in other reconstruction programs, it is not that high.
In one case, the treasurer of the CDC, the son of a commander, took the money of the first instalment for his own business and did not return it. In the other case, the head of the CDC, a former head of the Provincial Education Department, allegedly embezzled some money from the project. People were critical about the project because the power generator could only generate electricity for half of the community. Someone gave the example of a good they purchased in the capital for 35,000 AFA, whose real price was 12,000 AFA when the community crosschecked it. The head of the CDC and the treasurer “were close relatives and consulted each other”. People stated that he knew some of the staff of the FP, an NGO which also worked in the province in the education sector. When these people presented the case to the provincial governor, they only received a letter referring their case back to the FP. People later discovered that he had previously embezzled some 10,000 USD and were upset about their project, yet powerless.44

In every village, there were separate committees with distinct functions. The most common were finance, procurement, surveillance of works and awareness or maintenance depending on the projects. For the surveillance and maintenance committees, members often rotated in order to ensure the presence of 2 to 3 persons each time. Procurement often involved the same people, but it also happened that the CDC nominated a few others to do the specific job. The finance committee composition was quite stable due to the fact that the same signatures were required up to the end of the NSP to withdraw the money. The committees were generally formed by elders or other CDC-nominated persons who were not CDC members.

Finance and procurement were most exposed to corruption. Training was offered in both areas by the FPs. Procedures were respected, especially regarding the procurement of goods. In 80% of cases, there were three quotations for large amounts. In one case, the FP decided on the final selection of the contractor due to the age, experience and the technical expertise of the FP representative. There was also the fact that the contractor was from the village and the people wanted the advice of an outsider. In two cases, the head of the CDC used undue influence in both finance and procurement. This resulted in embezzlement in the procurement process in the first case. In the second case, there was no evidence of corruption, but a total lack of transparency and accountability. Community members did not know about the expenses and amount of money spent on the generator.

Communities where projects relied heavily on labour also tended to exhibit stronger social cohesion. In these communities, the CDC often insisted on the use of local resources or local contractors. This occurred in Kapissa and Logar provinces.

Reporting was carried out in most cases in the mosque on a weekly basis during the project implementation phase. In a few cases, people were convened to gatherings and the CDC members explained their expenses. Social auditing of the projects took place in cases where the projects did not need high technical skills (construction of culverts, bridges, roads, irrigation and water systems), through the surveillance committee. In other cases, for instance for the power generator, a delegation of individuals was sent and only verified the prices in the capital or in the provincial centre.

Opinions of the FPs also varied. Often the poor technical support of the FP during the implementation phase was criticised while elections and support in proposal writing and project identification were praised. In one case, the head of the CDC, who worked for an NGO himself, heavily criticised the NSP and preferred the traditional work of NGOs. In another case, nobody knew the name of the FP and the people could not give any information.

44 Interview conducted in a village, source protected.
Conclusion

The interviews revealed a diversity of views on accountability that corresponded to both senses of the concept: democratic and performance-based. The role of the CDCs towards the communities and the government can best be understood through the democratic or political type of accountability. What mattered here was the external authority of the government and that of the community. Both aimed at calling CDC members, leaders and committees to account for whatever they undertook in the NSP. Here, the answerability component of the accountability is expressed more strongly. On the other hand, the accountability of NGOs (who worked as FPs) was essentially based on their responsiveness, i.e. they were held accountable for their performance and results. Stakeholders themselves understood their accountability in these terms depending on where they stood on the NSP. Here, the accent is put on the enforceability component with a strong focus on the possibility of sanction for the facilitators in case they failed to perform their duties or comply with the rules, the guidelines or the set of values defined through various official documents.

Consequently, if accountability effects have to be assessed it is both through an evaluation of specific ideal types of accountability which make sense to a category of actors and their articulations to one another. Complementarity between these types existed within the NSP because there was a good design at the beginning and a clear definition of roles among the stakeholders. Even when the chain of intermingled responsibilities diluted the accountability of some actors (for instance, the role of upstream actors with respect to program delivery) and, as a result, affected the performance of the NSP, it allowed space for criticism (in this case, from downstream actors and those in the middle).

Compared to other reconstruction programs, there were many positive aspects and externalities related to NSP accountability. The public exposure of the program made it known and therefore increased the accountability of executors and implementers. The government capacity to account for program delivery was increased even though the reform of the administration remained lagged behind. The MRRD is perceived as one of the least corrupt institutions despite the big sums of money it handled. Relative trust has been built between recipients, government and donors. Yet it remains fragile because people “cannot understand the game played by donors” when there is significant waste in other programs. Building the capacity to monitor and hold actors to account at the very local level and the use of local resources are among many other positive aspects of the NSP.

It is difficult to assess the effectiveness and the efficiency of the program because it comprised multiple objectives: governance, rural infrastructure, livelihood generation, capacity building and training. The nature of the program makes it quite unique and therefore hardly comparable in terms of cost effectiveness with other programs.

Despite the transparency efforts made, there is a need for the general public to know more about the facilitation costs. The FPs are less outspoken about the “internal corruption or waste” in the context of public criticism of NGOs and manipulations by politicians and government officials. It is not clear that an external auditor contracted by the OC or the government audited the funding that went to the FPs. Most of those interviewed find it natural not to be assessed through audits as they were evaluated on the performance and the outputs. This emerging trend may be biased against NGOs who might not want to be assimilated to private companies and will probably increase opportunities for corruption inside the institutions and reduce the commitment of their staff towards the NSP.

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At the local level, the biggest threat may come from the lack of support from the provincial authorities for the CDCs. There are now stories of collusion between corrupt district administrations and powerful individuals in the communities who may want to control the NSP money. This is exacerbated in cases where the facilitating partner has limited leverage or weak presence in the field. Threats to CDC accountability can be overcome by legal recognition of their status and a more assertive role of the MRRD local offices in curbing the undue influence of district governors or police chiefs.
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Annex I: Interviews with community and CDC members

All the field interviews and Focus Group Discussions (FGD) were conducted by Abdul Mateen Ghafoori. Except for the Takhar Province, all the other provinces were visited during the week-end (Friday and Saturday). Due to limited resources, only provinces near the Capital were selected. Interviews were semi-structured, based on a set of questions originally designed following initial desk research and ameliorated after the preliminary interviews in Takhar province. Focus Group discussions relied on the same set of questions. Interviews lasted between 1.5 to 2.5 hours depending on the number of individuals present.

Number of Provinces visited: 5  Number of FGD: 3
Number of Districts visited: 5  Number of interviews: 37
Number of Villages visited: 15  Number of participants: 66
Number of FPs covering the area: 5  Number of CDC members interviewed: 23

<table>
<thead>
<tr>
<th>Interviewees</th>
<th>Type</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td><strong>Takhar Province</strong></td>
<td></td>
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</tr>
<tr>
<td>1. Span Dasht Village</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 4 Community members</td>
<td>FGD</td>
<td>March 2006</td>
</tr>
<tr>
<td>• Head of CDC</td>
<td>Interview</td>
<td>March 2006</td>
</tr>
<tr>
<td>• Treasurer of CDC</td>
<td>Interview</td>
<td>March 2006</td>
</tr>
<tr>
<td>• Mullah of the village</td>
<td>Interview</td>
<td>March 2006</td>
</tr>
<tr>
<td>2. Haji Abdul Rahim Village</td>
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<td></td>
</tr>
<tr>
<td>• 4 Community members</td>
<td>FGD</td>
<td>March 2006</td>
</tr>
<tr>
<td>3. Abdul Latif Bay Village</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 2 Community members</td>
<td>Interview</td>
<td>March 2006</td>
</tr>
<tr>
<td>• Head of CDC</td>
<td>Interview</td>
<td>March 2006</td>
</tr>
<tr>
<td>• Treasurer</td>
<td>Interview</td>
<td>March 2006</td>
</tr>
<tr>
<td><strong>Logar Province</strong></td>
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<td></td>
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<tr>
<td>4. Nazar Khail Village</td>
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<td></td>
</tr>
<tr>
<td>• 2 Community members</td>
<td>Interview</td>
<td>21/04/06</td>
</tr>
<tr>
<td>• 2 CDC ordinary members</td>
<td>Interview</td>
<td>21/04/06</td>
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<tr>
<td>5. Zahed Abad Village</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 2 Community members</td>
<td>Interview</td>
<td>21/04/06</td>
</tr>
<tr>
<td>• 2 CDC ordinary members</td>
<td>Interview</td>
<td>21/04/06</td>
</tr>
</tbody>
</table>
6. **Masjid-i-Haji Faqeer Village**
   - 2 Community members  
   - CDC Secretary  
   - CDC Treasurer  
   
   - Interview  
   - 22/04/06

6. **Wardak Province**

7. **Deh Afghanan Village**
   - 2 Community members  
   - 1 Community member  
   - CDC Head  
   
   - Interview  
   - 28/04/06

8. **Ghundar Khail Village**
   - 2 Community members  
   - CDC Head  
   - Ordinary CDC member  
   
   - Interview  
   - 28/04/06

9. **Haji Abdul Rahim Village**
   - 5 Community members  
   - CDC Head  
   - CDC Treasurer  
   
   - FGD  
   - 29/04/06

10. **Parwan Province**

10. **Mullah Yussef Village**
   - 2 Community members  
   - CDC Head  
   
   - Interview  
   - 05/05/06

11. **Qala Badal Village**
   - 2 Community members  
   - CDC Head  
   - CDC Ordinary member  
   - Mullah of the village  
   
   - Interview  
   - 06/05/06

12. **Qala Khoja Village**
   - 3 Community members  
   - CDC Secretary  
   - Mullah of the village  
   
   - Interview  
   - 05/05/06
<table>
<thead>
<tr>
<th></th>
<th>Village</th>
<th>Interviewee Types</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>13.</td>
<td>Daray Koja Village</td>
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<td>12/05/06</td>
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<td>CDC Head</td>
<td>12/05/06</td>
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<tr>
<td>14.</td>
<td>Daray Zargar Village</td>
<td>2 Community members</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>2 CDC Ordinary members</td>
<td>12/05/06</td>
</tr>
<tr>
<td>15.</td>
<td>Shumul Zay Village</td>
<td>3 Community members</td>
<td>13/05/06</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CDC Head</td>
<td>13/05/06</td>
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### Annex II: List of NSP Facilitating Partners

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<tr>
<th>Partner</th>
<th>Description</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>AKDN</td>
<td>Aga Khan Development Network</td>
<td><a href="http://www.akdn.org">http://www.akdn.org</a></td>
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<tr>
<td>AA</td>
<td>Action Aid</td>
<td><a href="http://www.actionaid.org">http://www.actionaid.org</a></td>
</tr>
<tr>
<td>ADA</td>
<td>Afghan Development Association</td>
<td><a href="http://www.ada.org.uk">http://www.ada.org.uk</a></td>
</tr>
<tr>
<td>AAD</td>
<td>Afghan Aid</td>
<td><a href="http://www.afghanaid.org.uk">http://www.afghanaid.org.uk</a></td>
</tr>
<tr>
<td>BRAC</td>
<td>Bangladesh Rural Advancement Committee</td>
<td><a href="http://www.brac.net">http://www.brac.net</a></td>
</tr>
<tr>
<td>CARE</td>
<td>The Cooperative for American Remittances to Europe</td>
<td><a href="http://www.care.org">http://www.care.org</a></td>
</tr>
<tr>
<td>CONCERN</td>
<td>Concern</td>
<td><a href="http://www.concern.net">http://www.concern.net</a></td>
</tr>
<tr>
<td>DACAAR</td>
<td>Danish Committee for Aid to Afghan Refugees</td>
<td><a href="http://www.dacaar.org">http://www.dacaar.org</a></td>
</tr>
<tr>
<td>GAA</td>
<td>German Agro-Action</td>
<td><a href="http://www.welthungerhilfe.de">http://www.welthungerhilfe.de</a></td>
</tr>
<tr>
<td>IRC</td>
<td>International Rescue Committee</td>
<td><a href="http://www.theirc.org">http://www.theirc.org</a></td>
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<tr>
<td>NPO/RRA</td>
<td>Norwegian Project Office/Rural Rehabilitation Association for Afghanistan</td>
<td><a href="http://www.rraa.net">http://www.rraa.net</a></td>
</tr>
<tr>
<td>OXFAM</td>
<td>Oxford Committee for Famine Relief</td>
<td><a href="http://www.oxfam.org">http://www.oxfam.org</a></td>
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<tr>
<td>OI</td>
<td>Ockenden International</td>
<td><a href="http://www.ockenden.org">http://www.ockenden.org</a></td>
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<tr>
<td>PIN</td>
<td>People in Need</td>
<td><a href="http://www.peopleinneed.cz">http://www.peopleinneed.cz</a></td>
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<td>Relief Int</td>
<td>Relief International</td>
<td><a href="http://www.ri.org">http://www.ri.org</a></td>
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<tr>
<td>SCA</td>
<td>Swedish Committee for Afghanistan</td>
<td><a href="http://www.swedishcommittee.org">http://www.swedishcommittee.org</a></td>
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<tr>
<td>SDF</td>
<td>Sanayee Development Foundation</td>
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<td>Solidarites</td>
<td>Solidarites, Aide Humanitaire d’Urgence</td>
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<td>ZOA</td>
<td>Zuid Oost Azie Refugee Care</td>
<td><a href="http://www.zoaweb.org">http://www.zoaweb.org</a></td>
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</table>

Source: NSP Website, [www.nspafghanistan.org](http://www.nspafghanistan.org)